

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Tuesday, February 24, 1998

No. 35,763

## Clinton to Give Iraqi Accord a Chance to Work

### President Sees 'Big If' on Compliance With Annan Plan

By Brian Knowlton  
International Herald Tribune

WASHINGTON — President Bill Clinton announced Monday that he would give a UN-brokered agreement with Iraq a chance to work, averting U.S. military strikes that had appeared perhaps only days away.

But Mr. Clinton, speaking at the White House, emphasized that there would be no pullback of the growing U.S. military presence in the Gulf region and that any failure by President Saddam Hussein of Iraq to uphold the agreement could lead to a powerful attack.

"If fully implemented, and that is the big if, this will allow Uncom to fulfill its mission," said Mr. Clinton, referring to United Nations arms inspectors.

But he added in a direct warning to Mr. Saddam, "If Iraq fails to comply and to allow

immediate access, there will be serious consequences this time."

"The government of Iraq," he said, "has made a written commitment to provide immediate, unrestricted, unconditional access to Uncom weapons inspectors to all suspect

Agreement in Iraq sends the price of oil to its lowest level in four years, page 13.

weapons sites," fulfilling the fundamental U.S. demand. He said Uncom, the UN Special Commission, would repeatedly "test and verify" to ensure Iraq was complying.

The president said that Iraq had agreed in writing to open all suspect sites in the country — not just the sensitive "presidential sites" that Iraq had declared off-limits in January — to unrestricted inspections by UN weapons experts.

He also confirmed that those inspection teams would be accompanied, in their visits to sensitive sites, by senior diplomats from the five permanent member-countries represented on the UN Security Council. Those diplomats, who will be appointed by Mr. Annan, will be allowed to make repeat visits with no deadlines to complete their work, he said.

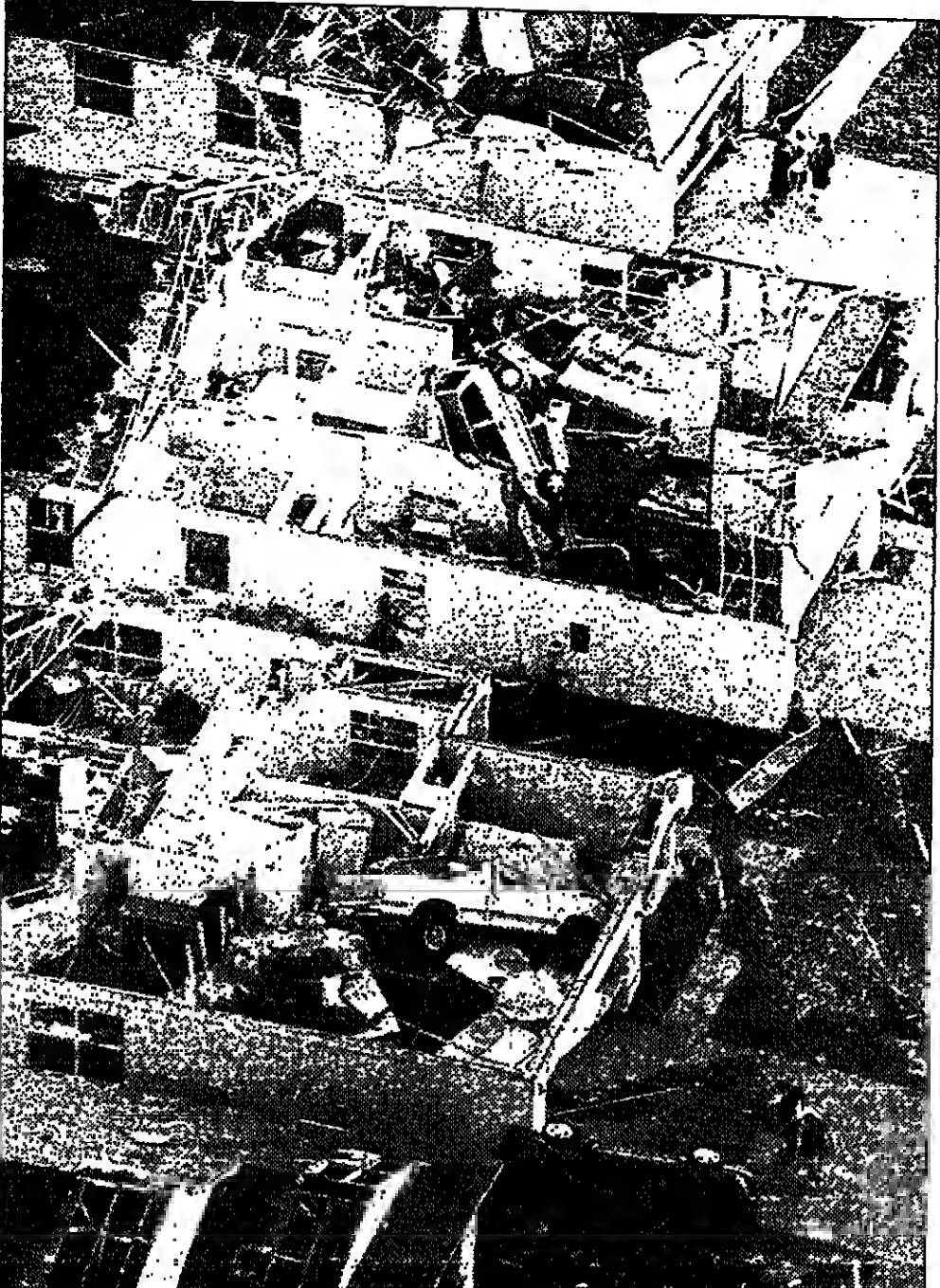
The president said the agreement represented the first time since the end of the Gulf War in 1991 that Iraq had agreed in writing to open every site in the country to UN inspectors' scrutiny.

Mr. Annan, stopping over in Paris on Monday night on his way back to New York, said the accord that he had signed with Iraqi authorities was sound.

Mr. Annan told French television that Mr.

See IRAQ, Page 10

### Deadly Tornadoes Batter Central Florida



Residents returning to what remained of their homes near Kissimmee, Florida, in the wake of a tornado, one of many that hit the state on Monday and killed dozens. Page 7.

### Annan's Candor Makes His Iraqi Hosts Wince

By Barbara Crossette  
New York Times Service

BAGHDAD — The ink was barely dry Monday on Iraq's agreement with the United Nations when the two men who signed it were already back on the barricades of the next crisis.

Facing the largest battery of television cameras and the biggest corps of newspaper and radio journalists that have probably ever assembled in this normally closed country, Deputy Prime Minister Tariq Aziz of Iraq and Secretary-General Kofi Annan had no time to celebrate. They were inundated with questions about what was left unanswered by their accord and whether it could be sold to the United States.

The details of their agreement will be revealed to the Security Council on Tuesday, when Mr. Annan returns to New York. The sense here is that Iraq will be as quick to exploit loopholes as the United States will be to expose weaknesses.

But it was evident Monday in Mr. Aziz's testy responses to reporters' questions at a news conference following the signing that Iraq had backed away perhaps more than it intended under the deceptively low-keyed pressure of Mr. Annan, who took control of the news conference from its opening minutes and left the usually ebullient and articulate Mr. Aziz largely on the sidelines.

The presence of Mr. Annan in Baghdad was extremely significant to the Iraqis.

President Saddam Hussein has tried for years to break out of Security Council control and the lockdown that the UN Special Commission, known as Uncom, has on Iraq's relations with the rest of the world because it has the power to recommend the lifting of sanctions. Mr. Aziz made the subtle point at the news briefing that, in Baghdad's view, Mr. Annan "was the United Nations."

Mr. Annan sensed in several questions that reporters were expecting him to be back the next morning, now that the pattern of his high-level involvement has been established. He deflected the questions by saying that if the new agreement held, new confrontations would



Mr. Annan, left, and Mr. Aziz juggling questions in Baghdad on Monday.

### No Clear Outcome Over Iraq

Saddam Yields, but Could Gain From Western Disunity

By Joseph Fitchett  
International Herald Tribune

PARIS — In many ways, it was a model of gunboat diplomacy: The United States deployed an armada, concerned nations cajoled the recalcitrant Iraqis, and Baghdad backed down on UN arms inspections.

In other ways, skilled negotiators demonstrated the scope of peaceful diplomacy. The deal brokered by the UN secretary-general, Kofi Annan — if approved by the Security Council — obtained Iraqi compliance, the result officially sought by all sides.

But the outcome did not feel as comfortably clear-cut or as cathartic as that.

Western and Arab diplomats said Monday that the process seemed to have opened a gap between the United States and Britain as proponents of force, and other countries, notably France and Russia, that stressed the need of

avoiding military action at almost any cost. This good cop-bad cop approach proved to be a formula for success in this crisis, the diplomats said. But they warned that divergences in emphasis might turn into a flaw that

#### NEWS ANALYSIS

the Iraqi regime could exploit when Washington seeks to rally continuing international efforts to contain Saddam Hussein.

Western governments did achieve their technical objective: getting Saddam Hussein to let the United Nations destroy or account for all his weapons of mass destruction.

From the U.S. viewpoint, the outcome seems to guarantee the completion of the UN inspections designed to provide as much information as possible about what Iraq had accomplished —

See DIPLOMACY, Page 10

### Silicon Valley Wants Immigrants

U.S. Ponders Higher Quotas for Foreign Computer Scientists

By Robert Pear  
New York Times Service

WASHINGTON — Under pressure from Congress and the computer industry, the White House is considering proposals to increase the immigration quota for computer scientists and other information-technology workers, so that foreigners can fill thousands of job openings in the United States.

The issue is extremely divisive. President Bill Clinton and Vice President Al Gore want to placate friends in Silicon Valley, the computer center in northern California, who say there is a critical shortage of technology workers, but they risk offending organized labor.

Under current law, employers can bring in up to

65,000 skilled foreign workers each year. The workers receive visas, known as H-1B visas, that last up to six years.

In 1997, for the first time, the government issued the maximum number of such visas, and it expects to reach the limit again in May or June, several months before the end of the current fiscal year.

High-technology companies, which depend on foreign workers for essential services, have been lobbying the administration to support an increase in the annual limits. They say there is an urgent need for Congress to act this year, and some lawmakers are eager to do so.

The initial public response from the adminis-

See JOBS, Page 10

### Seoul Welcomes the New, Jakarta Sticks With the Familiar

#### Kim Proclaims His Vision of Democracy

By Nicholas D. Kristof  
New York Times Service

SEOUL — His head shaved, his taut body dressed in a prison uniform, Kim Dae Jung lay huddled under a blanket in his freezing cell, shivering uncontrollably and despairing that he had wrecked the lives of his wife and three sons.

Sentenced to the gallows for leading the fight against South Korea's military dictatorship, he had felt his Roman Catholic faith wavering as he faced his own death, and he upbraided himself for his doubts and for what he felt was his lack of courage. As he lay in his cell that night, he tried to pray, but instead, he recalled, he broke down and began to cry, great tears trickling down his icy cheeks.

That was just 17 years ago, and the distance that Mr. Kim and South Korea have traveled since his heart broke on that desolate night will be marked Wednesday when he is inaugurated as pres-

ident. Often described as "Asia's Mandela," Mr. Kim takes office with the same kind of moral authority as Nelson Mandela of South Africa and similar stature as an international figure.

At a time when much of Asia has lost its footing and is groping for a more solid political and economic structure, Mr. Kim proclaims a vision for a new Korea and a new Asia: political democracy, market-oriented economics and policies that emphasize social justice. He says he is willing to speak out against human-rights abuses in Burma or even China, and he clearly intends to transform South Korea so it can be an example for the world.

"I want Kim Dae Jung to be a model that is successful in Asia, proving that democracy and the economy can go together well," he said in English dur-



Human rights campaigners demonstrating in Jakarta on Monday.

See KIM, Page 4

#### Suharto's Grip on Power Looks Unbreakable

By Keith B. Richburg  
Washington Post Service

JAKARTA — Indonesia, the world's fourth-most populous country, is sliding steadily toward an economic and social breakdown.

There are outbreaks of rioting and looting daily in towns and villages on Java and Sumatra. Members of the country's ethnic Chinese minority, whose shops have been the main targets of rioters, live in fear. A drought has left food in short supply. Unemployment is mounting. Factories no longer function. People do not even bother paying their electricity bills.

The fate of 200 million people — as well as many of Asia's financial markets — depends solely on the whims and reactions of one man: President Suharto.

After 32 years in power, Mr. Suharto

remains an enigma not only to the outside world, but also to his own people. He is rarely interviewed, and when he speaks in public, the former general is given to cryptic comments that analysts spend weeks trying to decipher.

Paradoxically, while Mr. Suharto is facing the gravest challenge ever to his hold on the country, he is also at the peak of his power. Next month he is to be appointed to a seventh five-year term by an assembly picked largely by him. Democracy backers have been marginalized.

The military, the only force capable of removing Mr. Suharto, is more firmly under his sway than ever.

Even his critics — now more brazen than ever in calling for him to step down — concede they can think of no credible alternative.

See SUHARTO, Page 7

### Careful, Cell-Phone Firms Can Tell Where You've Been

By Peter Wayner  
New York Times Service

NEW YORK — Cellular telephones, long associated with untethered freedom, are becoming silent leashes as telephone companies around the world have begun installing equipment that will allow them — or police, ambulance dispatchers, worried parents or jealous spouses — to precisely track the location of callers.

In many cases, the new technology is being defended as a protective measure for people making emergency calls. But the ability that this technology offers for law-

enforcement officials, or just inquisitive individuals, to monitor a caller's position and movements in detail — even months after the call was made — is drawing fire from privacy advocates and civil libertarians.

"The question is whether the telephone system is being built for communication or surveillance," said David Banisar, a staff attorney for the Electronic Privacy Information Center, a U.S. advocacy group. At the moment, it appears to be evolving into a tool for both.

The most public use of cellular positioning information was unveiled this month by Nippon Telegraph & Telephone Corp.: a system that reports the position of

a mobile phone by faxing a map of its location to the person requesting the information. The company said the service was intended primarily for parents checking on their children. To protect the privacy of callers, the person asking for the location of a cell phone must know the caller's personal identification number.

In December, a Swiss newspaper reported that the country's police force could recover a mobile telephone user's position for any call made in the previous six months.

See TETHER, Page 10

#### AGENDA

##### Netanyahu Wants Talks With Arafat

JERUSALEM (AFP) — Prime Minister Benjamin Netanyahu of Israel called Monday for intense face-to-face talks with the Palestinian leader, Yasser Arafat, to broker a definitive peace agreement.

Mr. Netanyahu said, "We should sit down together, Mr. Arafat and myself, in the presence of the Americans, for example at Camp David in the United States, to solve the problem and reach an historic accord."

The Dollar		
New York	Monday @ 4 P.M.	previous close
DM	1.796	1.8213
Pound	1.647	1.638
Yen	127.90	127.955
FF	6.0185	6.118
The Dow		
Monday close	previous close	
-3.74	8410.20	8413.94
S&P 500		
change	Monday @ 4 P.M.	previous close
-3.93	1039.14	1054.21

#### PAGE TWO

##### Contradictions in Cuba

THE AMERICAS	Page 3.
Deconstructing Paula Jones	
Books	Page 11.
Crossword	Page 11.
Opinion	Pages 8-9.
Sports	Pages 20-21.
The IHT on-line: www.ihnt.com	







## THE AMERICAS

## The Deconstruction of Paula Jones: Clinton Lawyers Take a Gamble

By Peter Baker and Lorraine Adams  
Washington Post Service

WASHINGTON — Piece by piece, President Bill Clinton's top-dollar legal team at Skadden, Arps, Slate, Meagher & Flom has taken apart the life of Paula Jones.

It has examined topics from her job history to her possible sex partners.

It turned up a check she bounced when reimbursing the Arkansas government for personal calls made on state phones, and found previous employers who fired her for tardiness or other reasons. They scoured personnel records and discovered she typed only 24 words a minute and scored 121 out of 174 on an Arkansas state clerical examination.

Venturing into more salacious territory, they interviewed as many as a half-dozen men who claimed to have had sex with her, say people close to the case.

Now that the lawyers essentially have finished gathering evidence and made the final pretrial effort to get Mrs. Jones's sexual harassment

lawsuit thrown out, a picture has emerged of the president's defense team and where it is headed.

The Clinton legal squad is following an aggressive and political risky strategy centered on Mrs. Jones herself.

After all the attention focused on a president linked by fact or rumor to a host of women — most recently and most perilously Monica Lewinsky — Mr. Clinton's lawyers hope to turn the spotlight with blinding intensity on the life of his most persistent accuser.

"Does her story make sense?" asked Mitchell Ertinger, an attorney for the president. "It has always been our position to point out why it doesn't make sense. No one's going to argue they weren't in a room together. And you don't have to call her a complete liar. But everything she's said — about her injuries to her job, her reasons to this, her reasons for filing suit — it's not going to add up."

The tactics have not been well received in Dallas, where Mrs. Jones's attorneys are based. They bristle at the testimony sought from pur-

ported former lovers, saying that even if true it has nothing to do with being accused by Mr. Clinton. The president's camp has stopped at little "to try to slime our client," said David Pyke, one of Mrs. Jones's lawyers. "Despite their public statements, they have not taken the high road."

The cornerstone of the defense is that Mrs. Jones has not shown that then-Governor Clinton or anyone else in the Arkansas government penalized the \$4,93-an-hour clerk for rebuffing a sexual advance in a hotel on May 8, 1991.

Even if he did lure her to a suite, expose himself and ask for sex — as she has charged and he has denied — at worst the encounter was a single boorish pass that was turned down with no adverse workplace consequence, this argument goes.

Personnel records and affidavits filed last week along with Mr. Clinton's motion for summary judgment indicated that Mrs. Jones received satisfactory job reviews and pay raises totaling 25 percent over two years. Supervisors testified that they were unaware of the encounter with Mr. Clinton and were never ordered to punish her.

"Every person who ever dealt with her, worked with her, supervisory or otherwise — no one ever heard of this incident, of her meeting with the governor, or that any job action should be taken against her," Mr. Ertinger said. "You've got to show that there's job detriment, or some appreciable effects on her job. She got every merit raise available to her and she got the full amount."

Mrs. Jones maintains that others got more money and that she was moved to a dead-end assignment after returning from maternity leave. Even if there were no direct retribution, her lawyers argue, the alleged encounter itself constituted sexual harassment under court rulings that hold that a single incident is enough to win a case if especially severe.

Thus, it was significant that in her November deposition, made public last week, Mrs. Jones added new allegations that subtly make the incident sound more offensive. She said that while warning her to keep quiet, Mr. Clinton momentarily blocked the door when she tried to leave, that he tried to kiss her twice instead of just

nuzzling her neck and that he tried to grope her crotch rather than just caress her thigh.

Mr. Clinton's team may attack those variations to undermine her credibility if the case goes to trial as scheduled on May 27.

Last June, after complaints from feminists and other critics, Robert Bennett, lead attorney of the Clinton team, disavowed reports that he was planning to investigate Mrs. Jones's past. But the inquiry did not stop.

His team collected the information and passed it along to the lawyer who is representing a co-defendant, Danny Ferguson, the Arkansas state trooper who escorted Mrs. Jones to meet Mr. Clinton. Since Mr. Ferguson had none of Mr. Clinton's political worries about using a woman's sex life against her, his case became the vehicle for that avenue of attack.

To undercut that strategy, Mrs. Jones's lawyers dropped a defamation count against Mr. Ferguson — if she no longer claimed that her reputation was harmed, they reasoned, her past would no longer be relevant in court. But the other side is still looking for ways to introduce its evidence.

## Clinton Likely To Testify in Lewinsky Case, Lawyers Say

Los Angeles Times Service

WASHINGTON — The focus of attention recently has been on when Monica Lewinsky will be called to testify before the grand jury. But the more intriguing question is whether or when President Bill Clinton will be called.

Many lawyers here predict Mr. Clinton will be asked to answer questions under oath, and sooner than most expect. The outcome of the inquiry may turn on whether the president gives a plausible explanation for a set of circumstances that look suspicious.

So far, a strategy of silence has worked well for the White House, better even than the president's advisers had expected.

But the independent counsel Kenneth Starr may soon upset that strategy.

"Absolutely. I bet they ask him to testify. That's the way they are heading," said a lawyer who has represented prominent Democrats. "I think it will happen within a few weeks, and Clinton has no real legal grounds to refuse."

Another lawyer who is close to Mr. Starr said that seeking Mr. Clinton's answers to questions under oath "is the logical outcome," adding, "There is plenty of precedent for it, including in this investigation."

Advisers to Mr. Clinton have been discussing among themselves how to respond if Mr. Starr seeks the president's testimony in the Lewinsky matter.

"Some people think the attacks on Starr were to lay the predicate so that the president can turn him down," said a senior adviser, adding that he did not believe that would work. "At some point he has to say something. I think it's very hard not to testify," he said.

But another former administration lawyer said that he believed the president would avoid testifying at all cost. "I think he will say no and stonewall," he said.



Joseph diGenova complaining on NBC TV that he is being investigated.

## White House Denies Probes of Prosecutors

WASHINGTON — The White House says it has not authorized private investigators to "dig up dirt" on prosecutors, investigators or reporters looking into the Monica Lewinsky case, disputing allegations raised on national television by a prominent Republican lawyer.

Joseph diGenova, a former federal prosecutor now working for House Republicans, said he was told that he and his wife, Victoria Toensing, an attorney, "were being investigated by a private investigator with links to the White House," Mr. diGenova, who has played a peripheral role in the Lewinsky investigation, offered no evidence, attributing his charge to tips from reporters.

He said on NBC that "if the White House is condoning the investigation of private citizens, looking into their lives," then "that is truly a frightening development."

The White House fired back hours later, baring Mr. diGenova for repeating what it called "blatant lies."

## No one at the White House, or anyone acting on behalf of the White House, or any of President Clinton's private attorneys has hired or authorized any private investigator to look into the background of Mr. diGenova, Ms. Toensing, investigators, prosecutors or reporters," said Michael McCurry, the White House press secretary. (WP)

## Riadys Reject Link To Chinese Agency

LOS ANGELES — The father-son owners of an Indonesian conglomerate accused of illegally channeling foreign money to President Clinton's re-election campaign denied a report they had a long-term relationship with a Chinese intelligence agency, the Los Angeles Times reported Monday.

In a statement released to the newspaper, Mubtar and James Riadys denied assertions that their Indonesia-based Lippo Group has links with a Chinese intelligence agency.

"Not wishing to entangle ourselves in American national issues and debates, we have remained silent," they said. "However, recent reports appear-

ing in the United States press are so false and malicious, we must break our silence."

"Our business ventures with our international partners are commercial in nature and do not involve the gathering of classified information or other intelligence operations."

The Washington Post reported Feb. 10 that the Riadys "have had a long-term relationship with a Chinese intelligence agency." The report said that relationship appeared to be based on business interests to obtain Chinese assistance in international business opportunities "in exchange for large sums of money and other help." (AP)

## Quote/Unquote

Senator Robert Byrd, Democrat of West Virginia, a master of bringing pork-barrel projects home and a champion of putting more money in the highway construction pot for everyone: "When 42,000 people are dying on the highways every year and we're told that 30 percent of those deaths are caused by poor road conditions and poor design, then, yes, I'm one of those saying put highways first." (WP)

## High Court Upholds Sex Offender Law

Reuters

WASHINGTON — The Supreme Court let stand on Monday the nation's first "Megan's Law," which allows for the names and addresses of sex offenders to be made public.

The nation's highest court refused to hear arguments that the New Jersey law inflicted an unconstitutional extra punishment on sex offenders who had already served prison terms by notifying the community that the offenders were living in the area.

All 50 states have enacted sex offender registration statutes, and 37 states, including New Jersey, also provide for community notification about the presence of such offenders.

A class action suit brought on behalf of

sex offenders challenged the community notification provision of New Jersey's Megan's Law, which requires those convicted of sex offenses before Oct. 31, 1994 to register with local authorities.

The law was enacted after the abduction, rape and murder of seven-year-old Megan Kanka in 1994. The man who confessed to her murder lived across the street from the Kankas in Trenton, New Jersey. He had been convicted twice of sexual offenses targeting young girls and he shared his house with two men who had also been convicted of sexual crimes.

Neither the police nor the Kankas were aware of the man's history.

The petitioners argued that the New Jersey law violated both the Double

Jeopardy and Ex Post Facto clauses of the constitution. The Double Jeopardy clause prohibits double punishment for the same crime and Ex Post Facto prohibits laws that change and inflict a greater punishment.

Among the petitioners' arguments was that the law was wrongfully retroactive by forcing those convicted before the law was passed to register with authorities.

Under Megan's Law, the prosecutor of the county where the registrant lives must evaluate private, detailed information provided by the offender to determine whether he or she poses a low, moderate or high risk of a re-offense. The prosecutor must also determine the appropriate scope of community notification.

## Away From Politics

The nation's biggest charitable foundations grew 22 percent richer last year as rocketing stock prices increased the value of their assets by more than \$23 billion. The growth means foundations will have more money to give away in 1998, according to the Chronicle of Philanthropy, an industry publication that surveyed 121 of the largest private foundations. (WP)

More than one-third of female doctors say they have been sexually harassed. Overall, 47.7 percent reported having been targets of gender-based harassment, and 36.9 percent reported having been sexually harassed, according to a 1993-94 nationwide survey reported in the Monday issue of the Archives of Internal Medicine. (AP)

State-of-the-art parking meters are replacing old and damaged ones in central Washington as the nation's capital seeks to recover lost revenue — and bolster its battered image. Only 7,000 of the city's almost 16,000 parking meters work. Many have been vandalized, causing a decline in parking revenues from \$1 million a month in 1995 to \$260,000 a month in October. (NYT)

A 57-year-old New York cab driver fought back against a gunman who sought to hold him up in his taxi in Brooklyn. Despite being shot three times during the struggle, the driver managed to disarm his assailant. When the police arrived at the scene, they found the driver training the .38-caliber revolver on the suspect. (NYT)

## Abraham Ribicoff, Kennedy Ally, Dies at 87

New York Times Service

NEW YORK — Abraham Ribicoff, 87, the powerful and popular governor of Connecticut, congressman and U.S. senator and secretary of health, education and welfare under President John Kennedy, died here Sunday of heart failure. He had also been suffering from Alzheimer's disease.

Mr. Ribicoff, who spent nearly half a century in public service before retiring in 1981, was one of the best vote getters in Connecticut history. He had been a close Kennedy friend and political ally since 1948, when both were young congressmen.

Early on, he visualized Mr. Kennedy as a formidable national figure and worked hard to see that he achieved the presidency. He nominated Mr. Kennedy for vice president in 1956; he was the convention floor manager for his successful race for the presidential nomination in 1960, and he was the first man named to the Kennedy cabinet.

Mr. Ribicoff resigned as governor to become secretary of the Department of Health, Education and Welfare.

Sixteen months later, he returned to Connecticut and successfully ran for the Senate in 1962. He remained a liberal stalwart in the chamber for 18 years.

In 1968, Mr. Ribicoff made a memorable appearance at the Democratic National Convention in Chicago, which was being buffeted by demonstrations against America's continued involvement in the war in Vietnam. When it came his turn to nominate Senator George McGovern, Mr. Ribicoff looked directly at Mayor Richard Daley of Chicago and said, "With George McGovern as president of the United States, we wouldn't have these Gestapo tactics in the streets of Chicago."

He served in the Senate for three terms. During his tenure, he supported President Lyndon B. John-

son's continuation of the war in Vietnam, but finally broke with Mr. Johnson late in the decade.

H. Gardner Ackley, Economic Adviser

WASHINGTON (WP) — H. Gardner Ackley, 82, a principal adviser on economic policy to Presidents John Kennedy and Lyndon Johnson, died Feb. 12 in Ann Arbor, Michigan. He had Alzheimer's disease.

Mr. Ackley, who had a long career at the University of Michigan, where he was chairman of the economics department, was called frequently to Washington. An apostle of the New Economics, he was a member of the Council of Economic Advisers under President Kennedy and chairman of the council under President Johnson.

Early in 1969, Mr. Johnson named Mr. Ackley as his ambassador to Italy. Mr. Ackley resigned after several months to return to the University of Michigan, from which he retired in 1984.

## THE INTERMARKET

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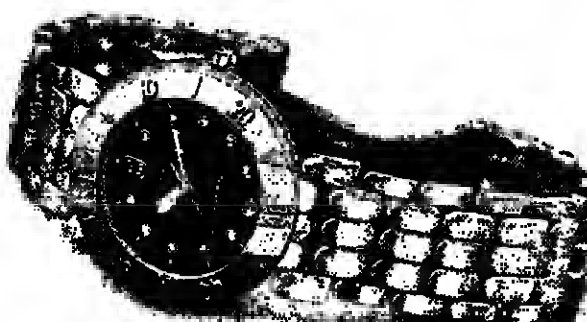
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## EUROPE

## Ulster Talks Darkened As Blast Hits 2d Town

### Commercial Center Wrecked by Car Bomb

By James F. Clarity  
New York Times Service

PORTADOWN, Northern Ireland — For the second time in four days a bomb believed to have been planted by Roman Catholic guerrillas ripped the center of a predominantly Protestant town Monday, raising fears that the five-year-old Northern Ireland peace effort was crumbling and that this British province was on the verge of returning to widespread sectarian violence.

In Monday's attack at noon in Portadown, 25 miles (40 kilometers) west of Belfast, several shops and banks were severely damaged, but there were no injuries. On Friday night, hours after Sinn Fein, the political wing of the Irish Republican Army, was suspended from the formal peace talks, a bomb exploded in the village of Moira, injuring 11 people, none seriously.

The British government and the police of the Royal Ulster Constabulary have not blamed the IRA for the attacks, but a Republican splinter group, the Continuity IRA, is widely suspected of detonating the bombs in order to destabilize the political talks and draw Protestant paramilitaries to retaliate. The Continuity IRA has not claimed responsibility for the bombs.

After his expulsion until March 9, Gerry Adams, the president of Sinn Fein, said the main IRA organization had not been responsible for the attack in Moira. The IRA has stated, before the two recent blasts, that the cease-fire it called in July was still intact.

Protestant unionist leaders said that the two blasts, both in the hometowns of leading Protestant politicians, made it

unlikely that Sinn Fein would be re-admitted to the formal peace talks in Belfast, which resumed Monday but were disrupted by the latest bombing.

The British and Irish governments have said that the peace talks would not be stopped if the violence was from small splinter groups.

But if Monday's blast is eventually attributed to the main IRA, Sinn Fein's exclusion would probably be extended, if not made permanent. Sinn Fein was suspended by the Irish Republic and British governments after they found that the IRA had been involved in the killing of two civilians two weeks ago in Belfast.

If Sinn Fein were permanently excluded from the talks, officials and analysts said, it would be virtually impossible to reach a sustainable peace agreement.

#### Bomb Was Set Near Police Post

Portadown police said Monday's bomb was planted in a car parked 600 feet (about 200 meters) from a police station, Reuters reported.

"This is another distasteful act, destroying the commercial center of a town and putting people's lives at risk," a police spokesman said.

Portadown is the power base of the extremist Protestant pro-British Loyalist Volunteer Force, whose leader, Billy Wright, was shot and killed by Republican guerrillas inside Northern Ireland's Maze prison on Dec. 27.

Meanwhile, in the Irish Republic on Monday, police disarmed a firebomb in a car abandoned outside a police station in the village of Dromad near the border with Northern Ireland. They said the Loyalist Volunteer Force was to blame.



Fire fighters in Portadown, Northern Ireland, working to extinguish flames started by a large bomb Monday.

## EU to Resume High Contacts With Iran

### Ending Freeze Over Terrorism, Foreign Ministers Appeal for Dialogue

Agence France-Press

BRUSSELS — The European Union decided Monday to resume ministerial contacts with Iran, ending a 10-month freeze on senior-level contacts that was imposed after the government in Tehran was implicated in terrorism in Germany.

Foreign ministers from the 15 EU states agreed to "respond positively" to "encouraging" recent developments in Iran and the interest it has shown in a more constructive relationship with Europe.

The ministers called for officials to develop proposals for an EU-Iran dialogue on terrorism, on the production of weapons of mass destruction, on the death sentence imposed by Tehran on the British writer Salman Rushdie and on the Middle East peace process.

"Iran's willingness to address these concerns would greatly enhance the success of the dialogue and Iran's reintegration into the international community," the ministers added.

The EU's decision to suspend ministerial contacts with Iran followed a German court ruling last April that senior Iranian officials were involved in organizing the killing of four Kurdish dissidents in a Berlin restaurant in 1992.

The bloc's senior diplomats, withdrawn in protest, returned to Tehran in November but ministerial contacts remained suspended.

Despite the upgrading of political ties, the EU will be maintaining its policy of tight controls on Iranian embassies in Europe, diplomats said. Many of the embassies are believed to have been used as bases for covert activities.

The initiative is bound to aggravate differences between the EU and the United States over how to deal with Iran.

Washington has pursued a policy of isolating the Islamic regime and is weighing possible sanctions on oil groups for investing in Iran. The United

States is expected to rule shortly that Total of France, Gazprom of Russia and Petronas of Malaysia are all subject to sanctions under the Iran-Libya Sanctions Act because of their participation in the \$2 billion development of a gas field off Iran.

President Bill Clinton has so far been reluctant to provoke a trade war with Europe by allowing the sanctions to be imposed. Even if the State Department announces that the companies are subject to sanctions, he can delay their application for up to 180 days and then waive them altogether on the grounds that the move would be detrimental to U.S. interests.

But the signal from the EU on Monday that it wants warmer relations with Iran will make it harder for Mr. Clinton to persuade Iran's foes in Congress that the Europeans are working towards the same basic objectives: ensuring that Iran stops supporting terrorism and does not become a threat to regional security.

## BRIEFLY

### EU Is Toughening 'Mad Cow' Rules

BRUSSELS — Aiming to impose tougher rules to prevent the spread of "mad cow" disease, the European Commission is considering banning the sale of T-bone steaks and mutton chops in nearly half of the EU's member states, officials said Monday.

Officials of the 15-member bloc are rewriting draft laws on which material would have to be removed from carcasses at the slaughterhouse. There are fears some material might be infected with bovine spongiform encephalopathy.

The draft ban includes more material than originally planned, and would force seven states with a history of the disease to ban sales of meat attached to the vertebral column from cattle, sheep and goats more than a year old. (Reuters)

### Georgian Leader Wants to Negotiate

DZIKHASKARI, Georgia — President Eduard Shevardnadze agreed Monday to talk with a representative of the gunmen who have been holding three UN military observers hostage for four days.

The kidnappers, supporters of Zviad Gamsakhurdia, who was ousted as president in a coup in 1992, said they were skeptical of the offer. They are demanding that the authorities release all jailed supporters of the late president.

Mr. Shevardnadze has said the kidnappers are the same men who were behind an assassination attempt against him two weeks ago — a charge they deny. (AP)

### Changes in Russia?

MOSCOW — President Boris Yeltsin indicated Monday that he might shake up his government after it reports to him on its record Thursday. Iur-Tass press agency reported.

"He said after a meeting with Prime Minister Viktor Chernomyrdin that the tone at the meeting would be 'demanding' and specific officials would be called to account," Tass said. It quoted Mr. Yeltsin as adding: "Decisions about them will follow immediately." (Reuters)

## Troops Retake Albanian Town

The Associated Press

TIRANA, Albania — Government troops stormed into the devastated northern town of Shkoder on Monday where armed gangs had taken over, looting and burning public buildings and robbing banks.

Trouble had erupted in Shkoder on Sunday after supporters of the main opposition party, the Democrats of former President Sali Berisha, took to the streets, demanding the release of two senior Berisha supporters.

The protest turned into a full-scale

riot, with all public buildings ransacked and many burned, witnesses said. At least three policemen were hurt and the police force was forced to flee when the crowd invaded a police station and released 35 prisoners.

On Monday, Interior Ministry troops sent from Tirana, 100 kilometers (60 miles) to the south, stormed across a bridge to the town that had been barricaded by about 60 gunmen. It was not immediately clear if the rebels resisted the taking of the bridge and if there were any casualties.

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### Farmers Burn Fields

The cheap clearing of land by farmers will be harder than ever to stop, likely that plantation owners will use more expensive mechanized means.

In addition, said Charles, a senior researcher for the World Resources Institute, "The government has no money now to do enforcement of environmental management. It's a very unfortunate confluence of the drought, a boom in land clearing which never had very good oversight, and now less money to focus on going on out in the field."

"Combine that with a large area of dead and dry biomass, which is around from incompletely burned fires from 1997, and you could have real rough fires. It could be worse. May than it was even last September."

## ats Sink 2 Ships

### h Sri Lanka Navy

yet to succeed. About 1,000 soldiers have been killed, according to estimates.

Troops on the peninsula for military hardware and dry rations, the air force ferries fresh food and numbers of troops to battle zones.

"Tigers know if they can capture the army, they can cause more damage," a senior military official said. "For them, it is better to be effective than confronting the side on the ground."

Two ships carrying 110 soldiers were sunk in the bombing last Sunday night. The rest of the 12th convoy reached a nearby military base. The Tamil rebels are fighting to separate the island for minority in northern Sri Lanka. More than 60,000 people have been killed since the eruption in 1983.

## BRIEFLY

China claims a renegade peace. China routinely protests to its war's leaders to countries recognize Beijing.

### Young Thugs Caught

TOKYO — Tokyo police on Monday they had caught a group of young punks snatching who had snatched scores of robots to play the arcade game.

A police spokesman said the suspected gang members, who were aged from 10 to 17, preyed on elderly people. The suspects were quoted as saying they stole about 1 million yen (\$15,600) in more than 100 robberies.

The police arrested 5 of the 12; others could not be charged because they were under 14. (Reuters)

### Chinese to Be Moved

BEIJING — The authorities in central China have begun moving 71,000 people in the second stage of a resettlement program to make way for the huge Three Gorges Dam.

Hubei Province also will move 12 major industrial and mining enterprises and build thousands of homes to house relocated families and businesses, the official Xinhua press agency reported Sunday.

In all, China plans to move 1.2 million people to make way for the dam on the Yangtze River. (AP)

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## INTERNATIONAL

## Tornadoes Strike Central Florida, Killing 33

**ORLANDO, Florida** — Tornadoes hit with deadly force across central Florida on Monday, killing at least 33 people and destroying hundreds of homes. Two people were missing.

"We've had so many touchdowns we can't keep track of them," said Angela Braden, spokeswoman for the Seminole County sheriff's office.

The twisters missed the three major theme parks in the Orlando area — Walt Disney World, Universal Studios Florida and Sea World, which opened Monday for business as usual.

Just southeast of Disney World, however, one person was killed in the Osceola County city of Kissimmee.

Tornadoes were reported from Daytona Beach on the Atlantic Coast to the Tampa Bay area on the Gulf Coast.

The bulk of the stormy weather moved up the East Coast on Monday. Georgia also was affected, with floods closing roads and schools Monday after as much as 5 inches (13 centimeters) of rain fell Sunday.

Some of the tornadoes may have had wind speeds as high as 210 miles (340 kilometers) per hour, said Bob Ebaugh, a forecaster at the National Weather Service.

More than 135,000 people in central Florida lost power at the height of the storms, utilities estimated.

President Bill Clinton said Monday he was sending representatives of the Federal Emergency Management Agency, including the director, James Lee Witt, to the tornado area.

By comparison with this storm, the hurricane designated Andrew killed 32 people as it tore through the Bahamas, South Florida and Louisiana in 1992.

Most of the deaths Monday were scattered through three or four neighborhoods in counties around the Orlando region.

Eleven people were killed in Seminole County, said Paula Richey, a county public safety spokeswoman. Much of the damage there late Sunday and early Monday was near the Sanford airport just northeast of Orlando.

In Osceola County southeast of Orlando, at least 14 people died and 200 structures were damaged, said Jeter Walker, an emergency management spokesman.

"Big, big tornadoes did this," Mr. Walker said.

One tornado shredded the Ponderosa Park campground behind Osceola County stadium, the spring training home of the Houston Astros baseball team, killing seven people.

Elsewhere in the county, six people were killed in the Bueavventura Lakes area, where a shopping center was reduced to twisted metal and exposed concrete.

In Volusia County, a man was killed when his trailer home was destroyed, said the sheriff's investigator, Derrick Clark.

Two other people were missing early Monday near Lake Harney, northeast of Orlando, Mr. Clark said. Officials also rescued a boater whose craft apparently capsized.

In Orange County, one person died at a retirement community west of Orlando, said Vincent Preston, a fire rescue lieutenant.

The tornadoes touched down in the town of Winter Garden, said Jean Moe, Orange County's assistant division commander. The roof of a convenience store was ripped off and several cars were blown away from a parking lot in another area of the county, she said.

About 100 mobile homes were damaged or destroyed in the county, and three of the four buildings in the Country Gardens apartment complex were damaged, Ms. Preston said.

All of the power in this area has been severed because of the tornado," she added.

The winter storm was partly caused by the wind patterns and conditions directed by El Niño, said Mr. Ebaugh of the weather service.

The Pacific warm-water phenomenon is blamed for a number of unusual weather patterns around the world, including a series of storms in California that have caused an estimated \$475 million in damage.



Wrecked mobile homes near the pool at the Ponderosa Park campground in Kissimmee, Florida, where a tornado hit early Monday and killed seven people.

## Racism in Indonesia Undercuts Unity

**International Herald Tribune**  
The 7 million ethnic Chinese in Indonesia make up just 3 percent of the population, but they control a large share of economic wealth. On a visit to Singapore, Juwono Sudarsono, deputy governor of the National Resilience Institute, an arm of the Indonesian Defense Ministry that trains senior civilian and military officials, discussed the situation of the Chinese minority with Michael Richardson of the International Herald Tribune.

Q. Why do the riots in Indonesia over rising food prices and rumors of hoarding by merchants and shopkeepers so often degenerate into anti-Chinese attacks?

A. Unfortunately, there has been a stereotype of the Chinese in Indonesia since Dutch colonial times, because of their vaunted position as middlemen between the colonials and the natives. In this kind of situation, they become the target of popular anger and frustration, since they control most of the production and distribution of basic commodities, such as cooking oil, flour, rice and sugar, right down to the level of towns and villages.

We have had sporadic anti-Chinese riots in the past. With severe drought gripping many parts of Indonesia and widespread concerns about food shortages and high prices, the anger is much stronger this time.

The other reason the ethnic Chinese are a target is that as a small minority of the population they are politically weak. They do not have the ability to respond. They therefore feel constrained to ride out the anger, rather than hit back.

## Q&amp;A / Juwono Sudarsono, Defense Official

Q. One prominent Indonesian business leader said recently that the current economic crisis was the perfect time for the government to wrest control over commerce from the Chinese and redistribute ownership to indigenous Indonesians. Would that be a wise move?

A. I think it's a dangerous conceit that goes against the grain of Indonesia's constitution and national unity. Many Chinese were upset. They have been in Indonesia for generations, yet they still feel they are regarded as leeches. We should not distinguish between people of different ethnic, linguistic or religious backgrounds.

I think the right course of action is to include as many as possible of these ethnic and racial groups in business, government and the military, so that the sense of nationhood can be reinforced.

Q. Are you saying that part of the problem now is that ethnic Chinese in Indonesia are excluded from some important areas of national life?

A. In formal terms, there is no discrimination. But in real life there are difficulties experienced by Chinese Indonesians in joining the armed forces and the civil service. They even face discrimination in entering the state universities. This is something we must overcome in the next couple of years.

One adverse result is that Chinese Indonesians then study abroad and get even more proficient. When they come back, they perform even better. So it's the

fault of indigenous Indonesians that we enforce this discrimination in society.

Q. Can the armed forces, including the police under their command, maintain law and order in the face of widespread social unrest?

A. We have a big problem, particularly in the densely populated main Indonesian island of Java, where 120 million people live. The reach of the authorities in some areas is limited. On average, there is only one policeman for every 10,000 Indonesians. The police are undermanned, undertrained and underpaid.

The saving grace of this situation is that most of the riots are spontaneous and don't last very long. Moreover, the police and the military tend to be seen as the only institution that can save the country.

And don't forget the indigenous Indonesians who protect factories owned by Chinese Indonesians from attack. It's not just because they work and earn their living there. They know the rioting is wrong. There have been many instances of this protective action in central and east Java.

So I'm quite optimistic that even with the reduction of the subsidies in April, some of these issues will be alleviated. I firmly believe that in the long term, the average indigenous Indonesian will see that the role of the Chinese Indonesians, particularly those who are third- or fourth-generation residents, is really for Indonesia. They are not working for any foreign country.

## SUHARTO: President's Grip on Indonesia Seems Unbreakable

Continued from Page 1

"He is the highest military commander," said Laksmiana Sukardi, an economist and consultant aligned with the opposition. "He decides the promotions and appointments in the army. He appoints the central bank governor, the boards of directors of state-owned companies; he decides who will be chairman of the securities and exchange commission; he appoints the judges, the members of Parliament."

"Under normal circumstances, nobody has any chance to challenge Suharto."

Many Indonesian and foreign analysts say that bold has led to the current turmoil. With Indonesia's predicament now viewed as more a crisis of confidence than a problem of economics, critics say, the country cannot hope to begin reviving its battered financial sector and reversing the spiral as long as Suharto and Company — his relatives, friends and business associates — remain in charge.

But, without Mr. Suharto, most see only more chaos, more uncertainty, and perhaps even more bloodshed and another violent upheaval similar to the slaughter of 1965, in which thousands of ethnic Chinese and Communist sympathizers were slain. The most startling thing to emerge in three weeks of interviews with people here and around the region is that the overall view of the country's future is universally gloomy. Many seem convinced that Mr. Suharto, 76, has entered the endgame of his rule; either politics or his own mortality will see to that. No one is certain how or when the end will come, but few think it will come smoothly.

"This is a very dire situation we are facing," said Yusuf Wandandi of the Center for Strategic and International Studies.

If the misery deepens, he said, a popular uprising could erupt. "But it will be anarchy, not by design," he warned.

Mr. Suharto is making no concession to mortality. Preparing to start his next five-year term, he is believed to be

making no plans to step down or even to begin grooming a potential successor. He is likely to name his longtime friend, B.J. Habibie, the research and technology minister, as vice president, but most analysts believe that the appointment does not mean that Mr. Habibie is to be Mr. Suharto's successor.

Analysts and scholars here see only three possibilities for change — even while conceding that at the moment, none of them looks likely. Those scenarios include:

• A "people power" uprising similar to the revolution in the Philippines that toppled the dictator Ferdinand Marcos in 1986.

There have been scattered anti-Suharto protests in Jakarta, but they are small, sporadic and easily contained by the police and military. Also, academics here point out that it took people power more than two years to emerge as a potent force in Manila.

• The emergence of a political alternative.

Many here have pointed to Megawati Sukarnoputri, daughter of Indonesia's independence hero and first president, Sukarno, as one who could mobilize crowds, if not by her own personality then by the magic of her name. She gave a fiery speech last month calling for Mr. Suharto to go. But Mrs. Megawati has been effectively marginalized, lacking even a political party since the government engineered her removal from the Indonesian Democratic Party in 1996.

Her supporters insist that Mrs. Megawati has to wait for the right moment. To move any sooner, they say, would only put her at risk.

• A military move against Mr. Suharto.

Most analysts believe that if there is any change at the top in Indonesia, it will come out from the streets and not from Mrs. Megawati, but from the armed forces. The military is still the most cohesive institution in the country and by any measure the final arbiter of power here. There are also believed to be a large number of officers, particularly in the lower ranks, who would like to see a more

open system, if not a Western-style democracy.

But the military for the moment remains firmly on Mr. Suharto's side. The military's top officers owe their positions to Mr. Suharto. And

"The Old Man" is viewed with respect because of his age and accomplishments.

Furthermore, analysts say, there is no one the officers could unite behind as a replacement for Mr. Suharto.

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## Bomb Kills 18 on Algerian Train

**ALGIERS** — A bomb exploded under a passing train Monday, killing 18 persons and wounding 25, the state radio reported, in the latest of a new wave of attacks blamed on Muslim militants.

The bomb was set off near the town of El Affroune, 20 kilometers (12 miles) south of Algiers, the radio said.

There was no claim of responsibility, but the area is known for attacks by the Armed Islamic Group.

In other violence, 13 shepherds were killed when their throats were slit, and two bombs damaged a gas pipeline in weekend attacks, according to newspaper reports Monday.

A Muslim insurgency has left an estimated 75,000 people dead since 1992, when the government canceled legislative elections that the Islamic Salvation Front was favored to win. (AP)

## 4 Mexicans Jailed Over Drugs

**MEXICO CITY** — Mexican authorities have jailed four suspected members of the Juarez Cartel on drug trafficking, money laundering and weapons charges, the attorney general's office said.

It said the charges were brought Saturday against the men, who were accused of having protected and facilitated drug trafficking.

Rodolfo Ortega Silerio, Ramon Baez Marquez, Paulino Mendoza Cooteras and Mario Garcia Garcia were also charged with being members of the nation's largest drug gang, the Juarez Cartel, and with laundering money and stockpiling weapons.

Officials said that Mr. Baez Marquez facilitated cocaine imports through Cancun as a federal judicial police officer. Mr. Mendoza Contreras allegedly protected other cartel members as deputy director of public security in Jalisco state. (Reuters)

imports through Cancun as a federal judicial police officer. Mr. Mendoza Contreras allegedly protected other cartel members as deputy director of public security in Jalisco state. (Reuters)

## 'Bird Flu' Fears Are Revived

**HONG KONG** — Doctors have found antibodies to the "bird flu" virus in health workers, officials said Monday, renewing fears that the virus that killed six persons in Hong Kong could be spread by human contact.

The virus was first detected in humans last year and doctors have been trying since to determine how it is transmitted — particularly whether it could be spread by contact with infected people as well as infected poultry.

No new cases have been found since the government banned live chicken imports and killed 1.4 million chickens in December. Imports of chicken resumed Feb. 8.

The presence of antibodies means a person has been exposed to the virus and developed resistance, with or without developing symptoms. (AP)

## Castro's Re-election Expected

**HAVANA** — Cuba's newly elected fifth National Assembly is expected to reconfirm Fidel Castro as president when it meets Tuesday to appoint a president and Council of State.

Although his re-election is widely expected, concerns about his health last year and the emergence of younger figures in the Cuban hierarchy have fueled speculation that, at 71, he might be considering some kind of scaled-down leadership role. (Reuters)

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## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## The Iraq Agreement

A definitive assessment of the deal that UN Secretary-General Kofi Annan struck with Saddam Hussein over the weekend must await disclosure of the details this week. But as sketched out by Mr. Annan's aides on Sunday, the arrangement would appear to defuse the Iraq crisis, at least temporarily.

By agreeing to permit unrestricted inspection of previously closed presidential sites, Saddam has ended Iraq's most flagrant defiance of the Security Council resolutions adopted in the wake of the Gulf War.

But the agreement, because it is limited to eight contested sites, leaves open the possibility of Iraqi belligerence about other locations.

Faced with the prospect of an American military attack, Saddam made several concessions. He agreed to open the eight presidential compounds, which inspectors suspect may house chemical and biological weapons or the means to make them, and dropped a proposed 60-day time limit for these inspections. Regular UN inspectors, not a new, less experienced group initially demanded by Baghdad, will check the presidential sites. In return, Mr. Annan agreed that diplomats may accompany the inspectors to sensitive locations to satisfy

Iraq's desire for greater dignity in the inspection regime.

Provided Mr. Annan did not compromise the integrity of the inspection system in some manner yet to be revealed, his agreement, for now, should satisfy American demands that Iraq comply with Security Council resolutions. They require international access to any site in Iraq that may be used to store weapons of mass destruction, manufacturing equipment and materials as well as records about the development of such weapons.

If so, American military forces can pull back from imminent attack, although they should remain in the region to ensure that Saddam honors the agreement with Mr. Annan. There is always a danger that Iraq will carve out new, excluded areas not covered by Mr. Annan's agreement, a step that would swiftly rekindle the crisis.

By backing diplomacy with the threat of force, Bill Clinton has so far handled the crisis with skill. If the Annan deal is sound, and Saddam carries it out in good faith, he should be no less willing to accept it than he has been to use military force. But America and the world will have to remain vigilant. Saddam has a poor record of keeping his word.

—THE NEW YORK TIMES.

## Rethink the Drug War

Drug traffickers have worked up a major alternative, through the Caribbean, to the routes wending from South America to the United States through Mexico. This development does to these vulnerable islands, including Puerto Rico, what drug policy director Barry McCaffrey said the other day about Mexico: It puts the "under major internal attack, violence and corruption driven by international criminal organizations of a tremendous voracity and cunning." This is the latest sad consequence of the chain of causation starting with the seeming insatiability of American drug demand.

The full range of familiar programs must be intensified in the Caribbean. Plus a new one: bananas. Crop substitution to help South American coca growers is a recognized policy option. General McCaffrey reports that "smart alternative economic policies" in Peru have helped that nation cut cocaine production by 40 percent in two years. But in the Caribbean, American policy undercuts the banana alternative. The United States supported a successful South American growers' challenge to an old European tariff preference favoring the Europeans' former Caribbean colonies. The Caribbean's loss of the preference is to take effect soon. It cries out to be reviewed.

This is certification time. American

law compels the president to determine annually whether other nations' anti-drug cooperation makes them eligible for American aid. The law is finally enforcing. The United States loses, by antagonizing the target countries, more than it gains from dragging their cooperation. This time President Bill Clinton should continue to certify Mexico; he should also resume certifying Colombia. Both countries know kicking corruption, but their governments are making a strenuous enforcement effort all the same.

Beyond that, the United States is moving, although not fast enough, to get out of the insulating practice of unilaterally certifying the performance of other, unconsulted nations. The better way is for Western Hemisphere nations to start assessing each other's record in checking demand as well as supply. The shift could give the Clinton administration further incentive to get results from its top-priority programs aimed at reducing drug consumption, especially among the young.

The administration has been working with Mexico, Colombia and others to make an old air force base in Panama a center for hemispheric cooperation on drugs. It is the right place — already it was the right time — to introduce a program of joint drug-policy review.

—THE WASHINGTON POST.

## Copyright Mischief

The U.S. Congress is considering a bill to extend by 20 years the term of copyright protection. Since 1976, when copyright was last extended, the term has stood at the lifetime of the author plus 50 years or, in the case of corporate authors, a total of 75 years. Supporters of this bill, mainly the film industry, music publishers and heirs, argue that extending copyright will improve the balance of trade, compensate for lengthening life spans and make American protections consonant with European practice. But no matter how the supporters of this bill frame their arguments, they have only one thing in mind: continuing to profit from copyright by changing the agreement under which it was obtained.

There is no justification for extending the copyright term. Senator Orrin Hatch, Republican of Utah, argues that the purpose of copyright is "spurring creativity and protecting authors." That is correct, and the current limits do just that. The proposed extension edges toward perpetual patrimony for the descendants, blood or corporate, of creative artists. That is decidedly not the purpose of copyright.

Copyright protects an author by granting him the right to profit from his own work. But it protects the public interest by ensuring that one day the right to use any work will return to the public. When Mr. Hatch laments that George Gershwin's "Rhapsody in Blue" will soon "fall into the public domain," he makes the public domain sound like a dark abyss where songs go, never to be heard again. In fact, when a work enters the public domain

it means that the public can afford to use it freely, to give it new currency.

What vexes any discussion of copyright is the idea of benefit. It is easy to see what the Disney Corp. will lose when Mickey Mouse goes out of copyright, as he will within a few years. It is harder to specify what the public will lose if he does not go out of copyright.

The tendency is to vest the notion of creativity in the owners of copyright. But artists, including those who work for places like Disney, always emerge from the undifferentiated public, and the works in the public domain, which means nearly every work of any kind produced before the early 1920s, are an essential part of every artist's sustenance, of every person's sustenance. So far, Congress has heard no representatives of the public domain. It has apparently forgotten that its own members are meant to be those representatives.

—THE NEW YORK TIMES.

## Other Comment

## The Monica Factor

Had Bill Clinton run this town meeting (in Ohio last week), the anchors and protesters would have been handed. Maybe he could even have papered over the tough policy questions his underlings could not. But he will no longer risk fielding questions in an open forum. He has given no interviews since the day the Lewinsky scandal broke, and can't give a press conference without a human shield like Tony Blair. — Frank Rich, commenting in *The New York Times*.

## What to Do After an 'Almost Yes' From Baghdad

By Jim Hoagland

WASHINGTON — Kofi Annan, the elegant Ghanaian diplomat Bill Clinton and Madeleine Albright helped vault into his job as secretary-general of the United Nations, has repaid them by fashioning the gravest foreign policy dilemma the Clinton presidency has yet faced.

Hold the Champagne over the indications that Mr. Annan reached broad agreement with Iraq's Saddam Hussein on Sunday in Baghdad on a plan that would allow UN weapons teams to resume their inspections. When Mr. Annan unveils the details of the tentative accord to the Security Council in a day or two, Saddam's answer is likely to amount to "almost yes."

The dilemma that Mr. Clinton and Mrs. Albright helped create by authorizing the Annan mission, despite serious misgivings by some of Mr. Clinton's foreign policy advisers, was captured by Senator John Warner, the Virginia Republican who is one of his party's leaders on defense.

"Will we really be prepared to go to war over the placement of two semi-colons, a comma and adding two sentences" to the outline of a deal that Mr. Annan carried when he left New York on Friday? Mr. Warner asked in our conversation that day.

When a steady head like Mr. Warner

sounds skeptical about your war-and-peace strategy, you have serious problems on your hands.

Mr. Clinton may now face a Saddam squeeze play as the final act of four months of frenetic but confused diplomacy that confronts Washington with mostly unpromising options.

The Russians, French and British have been the active players in this diplomatic exercise, while the United States has waited for others to take it off the hook. The Russians told Washington and London last week that Saddam had said he was ready to strike the deal with Mr. Annan that Mr. Clinton has demanded.

That Russian optimism convinced Mr. Annan to push for face-to-face negotiations in Baghdad. President Clinton warily approved Mr. Annan's mission despite the strong misgivings of his UN ambassador, Bill Richardson, who fought any UN negotiations with Saddam, and the more muted but clear doubts of other senior officials, including Vice President Al Gore.

Arguing for Mr. Annan's mission was Mrs. Albright, who vetoed re-election of Boutros Boutros Ghali to the top UN job 14 months ago and helped co-

alesce African support behind Mr. Annan. She has insisted to him that he report back to the Security Council either that Saddam is now ready to guarantee full and unfettered UN inspections or that no deal is possible.

The latter verdict would free President Clinton to follow through on his military threats. If Saddam is seen to have snuffed Mr. Annan, Russia and France will not even seriously criticize what will follow. Boris Yeltsin and Jacques Chirac made that clear to Saddam in private messages last week, according to diplomatic sources.

That helped shift the odds toward the "almost yes" scenario last week, as France and America softened their positions on the contentious issue of the presidential palaces that Saddam has declared off-limits to UN inspectors.

Mr. Warner, Mr. Richardson and others fear that Mr. Clinton has been boxed into taking "almost yes" for an answer — into calling off the aerial assault that the Pentagon is primed to begin within seven to 10 days, while the diplomats iron out the wrinkles in the binding written Iraqi pledges Mr. Clinton insisted that Mr. Annan must bring back to forestall an attack.

Delay would present the Pentagon with logistical and morale problems.

But delay does not have to be Mr. Clinton's enemy. He can use additional time to end the passivity toward Iraq that has marked most of his presidency and the last four months of his presidency.

He should publicly tie any delay to attacking Iraq to four conditions:

(1) He will keep substantial American forces in the area and they will be ready to snap back into attack mode the instant Saddam gives UNSCOM inspectors any trouble. That attack will come automatically and on U.S. decision, with Russia, France and U.S. Arab allies agreeing in advance not to intervene diplomatically on Saddam's behalf.

(2) U.S.-led coalition forces will actively interdict smuggling that is bringing trade worth tens of millions of dollars to Iraq in violation of sanctions.

(3) America will accelerate efforts to bring charges against Saddam's regime in international tribunals.

(4) Mr. Clinton should commit to a new program of support for Iraqi Arabs and Kurds who oppose the regime.

Holding back the raids and putting Saddam on probation one more time increases costs and risks for the United States. Any delay that Mr. Clinton grants should not come free for Saddam, or for those countries that have sought it for him.

The Washington Post.

## Options: Good and Bad Ways to Rid the World of Saddam

By John Deutch

CAMBRIDGE, Massachusetts — Many people call for the United States to overthrow Saddam Hussein. How would it actually be done?

The most obvious way would be to attack Iraq with a combination of air and ground forces. But almost no one in America wants to risk troops in Iraq, and everyone agrees that air strikes alone cannot do the job. Instead, some suggest, the United States should mastermind a quiet assassination.

For the moment, disregard that it is illegal under current law to sponsor assassination for political reasons. Also disregard past history, for example, abortive American efforts to kill Fidel Castro in the 1960s.

But is it likely that America could carry out such an assassination successfully? Perhaps, although it stretches credulity. And could it be done quietly? Impossible.

There certainly are circumstances where assassination might be justified — for example, an attempt on Hitler's life. But the conditions for reversing U.S. policy against assassination should be pretty stringent: unanimous support from allies; a preponderance of world opinion, especially in the region; and the desirability of getting rid of the despot, some confidence that the successor would be less evil than the target.

There would also need to be a judgment that American in-

fluence and interests in the Middle East would not be impaired for long if the United States were revealed to have been even partly responsible for the assassination.

No, assassination is not a viable way to handle Saddam. What about overthrowing the Iraqi government through "covert action"? Covert action has long been an important instrument of the U.S. government. It lies between open warfare and diplomacy — the United States tries to influence

politically events in another country, but anonymously. In my judgment, covert action has growing importance today, primarily in the war against drugs, terrorism and the proliferation of weapons of mass destruction. But could the much reviled CIA organize an overthrow of Saddam with the hand of the United States concealed?

Of course, this is not the first time that some political leaders and the public have longed for a simple way to get rid of a troublesome foreign leader. Dwight Eisenhower took the covert-action approach with President Sukarno in Indonesia in the late 1950s, and John Kennedy tried it with the Bay of Pigs.

In 1954, Jacobo Arbenz was overthrown in Guatemala, and Colonel Edward G. Lansdale, in a legendary CIA operation, showed that covert action could defend a legitimate regime from Communist insurgency in the Philippines.

But the record is at best mixed, as experience in Iraq shows. Since 1991 the CIA has supported several dissident groups — the Kurds in the north, dissidents in London, and most recently an opposition in the Iraqi military. But Saddam is still there.

The problem is that policymakers frequently adopt covert action to avoid harder choices — direct military action or the difficult aboveboard diplomatic work necessary to replace a foreign leader.

Since the end of the Gulf War, there has been a reluctance to undertake the policy of working publicly to replace Saddam. There is no obvious leader to back, Saddam is popular with the Arab public, and there is a risk of provoking terrorist acts against America.

In the presence of ambiguity such as this — remember Nicaragua? — covert action becomes almost impossible.

Consider the difficulty a CIA case officer would face in talking to a prospective leader of a coup attempt against Saddam. This coup leader would be unlikely to resemble Thomas Jefferson. He or she would ask: Will the United States provide military assistance in the first few hours of an attempted takeover? Whom will the United States support after the fall of Saddam? Is there any evidence of regional support (neighbors are important) for a regime after Saddam? How much money will the United States commit if the coup is successful, and how much is available in advance (in small bills)? How will the Sunnis, Shiites and Kurds share power in post-Saddam Iraq?

Even if the case officer could answer those questions, that would be only the first hurdle. Once such a movement is begun, the CIA would like to be able to control the insurgency, and the agency knows that it is not possible.

Because of their fervor, dissident groups are notoriously optimistic about what they can accomplish. They often want to blow up the radio station in town rather than the radio tower, or the railroad station rather than the railroad tracks. These actions can be bloody and are hard to control.

Covert action can be helpful if it is not considered a "Hail Mary" pass at the end of a football game but is instead part of a concerted team effort.

If Washington is prepared to make a public commitment to overthrow Saddam, it should announce its intention to form and financially support a new Iraqi dissident group.

It should work with other governments in the region to describe the political and economic benefits that would come to Iraq and the Iraqi people with a new regime, one that does not seek weapons of mass destruction or threaten the security of the region.

And it should authorize covert action appropriate to support those public efforts. Such an approach is more likely to catalyze change than an assassin's bullet.

Covert action is not an alternative to air strikes. Those strikes, despite their limits in directly bringing about Saddam's fall, are necessary to tell the world that the United States continues to oppose Saddam's reckless conduct.

Independent of any military action, America should work strenuously, both publicly and covertly, to nudge Iraq toward a stable life after Saddam.

The writer, a professor of chemistry at the Massachusetts Institute of Technology, was CIA director and deputy secretary of defense in the first Clinton administration. He contributed this column to *The New York Times*.

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## Advocates of Human Rights Could Get Better Results

By Roger P. Winter

WASHINGTON — Those of us who work as human rights advocates tend to regard ourselves and our institutions as humanity's conscience and as vigilant protectors of the world's humanitarian ideals. We are fearless in judging others. We should be equally fearless in judging ourselves.

Nowhere are human rights more at risk than in Central Africa, where the past four years have brought genocide, civil wars, assassinations, massive refugee flows and periods of bloody anarchy.

During the past 20 years I have made dozens of visits to Rwanda, Congo, Uganda and Burundi, where as many as 1.5 million people have been slaughtered during that time. It is a corner of the globe that desperately needs wise human rights advocacy.

It is, I am sorry to say, a region where human rights activists are playing a potentially damaging role. We in the human rights community are so busy issuing strongly worded reports and ostracizing imperfect new governments that we risk inviting more instability and bloodshed, not less.

Take the 120,000 suspected perpetrators of genocide now in Rwanda's jails. Many have not been formally charged. Most of my colleagues view that as an egregious abuse of human rights and proof that Rwanda's leaders lack commitment to basic rules of justice. I see it differently. I regard the jailing as a human rights victory.

Most of the country's judges, attorneys and investigators were killed during the genocide or fled the country, leaving no means of trying these 120,000 prisoners. But they are still alive and awaiting trial. They have not been gunned down or chopped apart in a frenzy of revenge for the genocide many of them helped perpetrate.

Instead, they have remained in jail while the Rwandan government tries to rebuild its judicial system. The detention of suspects for trial indicates a

willingness to abide by fundamental human rights principles in difficult circumstances.

Amnesty International, Human Rights Watch, Physicians for Human Rights, my own U.S. Committee for Refugees and a handful of other organizations have a distinguished history of forcing international attention to the world's injustices. Human rights workers often take great personal risk to document abuses. But condemning governments — which we do well — is not enough.

At times, we need to adopt a more constructive attitude and intervene directly to improve human rights conditions. In Rwanda, we could offer training, demobilization and other assistance that might help resurrect the country's destroyed judicial system. We should, for example, use our investigative skills to collect evidence that would lead to the prosecution or release of prisoners suspected of genocide.

We should alleviate the prison overcrowding in Rwanda by lobbying donors for money to expand jails.

When we issue reports recommending an end to "arbitrary arrests," we should explain why these arrests occur and suggest how local officials can correct a problem that many of them readily acknowledge.

Having witnessed the work of Zaire's Mobutu Sese Seko, Uganda's Idi Amin and Milton Obote and the oppressive regimes of Burundi and Rwanda's previous genocidal leaders, human rights workers have come to assume that all leaders in the region act with the worst motives — a presumptuous attitude reminiscent of some missionaries from an earlier era who went forth as agents of culture and empire.

For example, many human rights advocates raced to demonize the besieged new leader of Congo, Laurent Kabila, within weeks of his coming to power. Our harsh attacks taught him to

dismiss our concerns, no matter how valid they might be.

I am not questioning the value of established human rights principles, which should remain sacrosanct. Governments all over the world should permit legitimate independent efforts to monitor how they treat their citizens, and human rights workers should continue to document abuses.

But perfect leadership and capable governing systems cannot spring forth spontaneously in troubled nations that have known only misuse. Our edicts fall on deaf ears unless we shape our message constructively.

THE *raison d'être* of international human rights organizations formed in the past quarter-century was to prevent a recurrence of the ultimate crime, genocide. We failed. All our ink, paper, faxes, meetings and lobbying did not make a meaningful difference in Rwanda's 1994 genocide.

After the genocide, we failed to push hard enough to expel genocidal killers from refugee camps, and we shrank from the truth that it was worth risking bloodshed to force a separation between killers and legitimate refugees. As the head of a refugee policy agency, I feel this failure acutely.

In retrospect, my agency should have made clear to policymakers that military action was worthwhile to resolve the problem.

Inside Rwanda, the international human rights community failed for more than a year to mount an effective human rights monitoring program because we never before had insisted that the UN Human Rights Center have real world capabilities beyond issuing occasional reports and ritual condemnations. The human rights community mistakenly assumes that it alone has the best interests of the population at heart.

Some leaders despise their own citizens, but sometimes

governments are more inexperienced than evil. Central Africa's new leaders have the enormous task of reassembling nations that are among the poorest on earth, ethnically divided, riven with corruption and saturated with arms and shadowy groups willing to use those arms to gain power.

National armies are usually untrained and unrepresentative, national treasuries are virtually bare, and the political systems have limited experience with democracy. The shooting may have stopped, but a practical state of emergency persists.

Many new Congolese government officials I have met possess a credible agenda for their vast country that goes beyond the self-interest and self-enrichment of their predecessors. They appear serious about stamping out corruption and improving the lives of their fellow citizens, if only they could actually grasp the levers

of government. Rather than blast these officials for their failures, human rights advocates should use their considerable knowledge to suggest how leaders can do better despite limited resources and experience.

I have found that Congo's new officials are more willing to respond openly about their errors when the discussion is a constructive dialogue rather than a one-sided cataloging of their faults. The military in Rwanda is more willing to listen to criticism if we acknowledge the difficulties they face in waging counterinsurgency wars. Human rights failures by governments are not always deliberate.

The writer is director of the U.S. Committee for Refugees, a nonprofit humanitarian organization. This column has been adapted from a longer article in *The Washington Post*.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Zola Verdict

PARIS — [The Herald says in an Editorial:] The greatest of all the causes célèbres that have occurred under the French Republic came to an end yesterday [Feb. 23], after fifteen days. The verdict of the jury was in accordance with the expectations of public opinion in France. M. Zola was sentenced to a year's imprisonment and fined three thousand francs; M. Perrenx, the responsible manager of the *Aurore*, which published the sensational article headed "J'accuse," was fined a similar sum but received a sentence of four months' imprisonment.

## 1923: Past Incarnation

CHICAGO — Mrs. Edith Rockefeller McCormick is the reincarnation of the first wife of Tutankhamen, according to the "Chicago Herald's" report of a fashionable dinner, where the

former wife of Mr. Harold F. McCormick made the revelation. Mrs. McCormick's experiences as a wife of Tutankhamen were hardly less interesting than her experiences in her second incarnation. Born the daughter of John D. Rockefeller, the richest man in the world, she soon became the social queen of Chicago. During the past eight years, Mrs. McCormick has lived most of her time in Zurich, Switzerland, where she studied psychoanalysis.

## 1948: Jerusalem Blast

JERUSALEM — The Arab military commander of the Jerusalem district, Abdul Kadir Husseini, was reported tonight [Feb. 23] to have claimed Arab responsibility for yesterday's bombing of Ben Yehuda Street in the Jewish part of the city. The Jewish death toll rose today to 54, and possibly a dozen persons still were buried in the ruins.

## Herald INTERNATIONAL Tribune

ESTABLISHED 1887

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.12, News, (1) 41.43.93.38.  
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U.S. Advertising Office: 63 Long Ave., London WC2, Tel: (171) 836-4802. Fax: (171) 240-2254.  
S.A.S. on capital de 1.200.000 F. RCS Nanterre 752021126. Commission Paritaire No. 61337.  
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## INTERNATIONAL

# France Leads Europe in Hailing Accord as Ending Crisis With Iraq

By Craig R. Whitney  
New York Times Service

PARIS — The UN secretary-general, Kofi Annan, arrived in Paris from Baghdad Monday night carrying an accord that France and other European allies said they hoped would persuade the United States to call off a bombing campaign to get Iraq to agree to UN weapons inspections.

Sights of relief from all over Europe increased pressure on the Clinton administration to cancel the bombardment, which only Britain among the allies had said it was willing to help carry out.

Even before President Bill Clinton could say anything Monday about the accord, the spokeswoman of President Jacques Chirac of France, Catherine Colonna, said that Mr. Clinton and Mr. Chirac had agreed in a 30-minute telephone conversation that it seemed to be in conformity

with UN Security Council resolutions and should be voted on and put into effect as soon as possible.

"According to the information now in their possession, the accord which was signed appears to comply entirely with the United Nations resolutions and abides by the recommendations made by the five permanent members of the Security Council," Miss Colonna said.

Mr. Annan returned to Paris on the French presidential executive jet that took him to Baghdad last Friday for meetings with President Saddam Hussein and other officials. He was escorted from Villacoublay Air Base to his hotel, the luxury Crillon, by France's special envoy on the Iraq crisis, Bertrand Dufourcq.

French officials said Mr. Annan would fly to New York on an Air France Concorde supersonic jet Tuesday and report directly to the Security

Council.

"A diplomatic solution strictly in accordance with Security Council resolutions appears possible today, and the president is delighted," Mr. Chirac's spokeswoman said.

Other French officials went further. Defense Minister Alain Richard said that if Iraq abided by the terms of the agreement and weapons inspections showed that it no longer had any nuclear, biological or chemical weapons capability, UN economic sanctions against it should be lifted — the only long-term incentive for Mr. Saddam to comply with arms limitation agreements, French officials say.

Having pushed hard for both Mr. Clinton and Mr. Saddam to agree to give Mr. Annan one last chance to call off the dogs of war, Mr. Chirac has an enormous stake in U.S. acceptance of the deal, American diplomats said.

France participated in the 1991 war to get Iraq out of Kuwait, but with 55 percent of the French public opposed to siding with the United States in the latest crisis, according to a poll published by the daily Le Figaro on Monday morning, the United States will take a lot of criticism here if it rejects the agreement.

French newspaper and radio and television reports portrayed Mr. Annan's trip as an effort to defuse a crisis between Baghdad and Washington, as if Europe and the rest of the world were unaffected by the possibility that Iraq had weapons of mass destruction and the capacity to deliver them well beyond its borders.

European Union foreign ministers meeting in Brussels on Monday gave the accord brought back by Mr. Annan their blessing in advance, welcoming it and expressing their appreciation to him.

"It seems that the decisive appeal from the international community has been met, the appeal for unlimited access to all inspection sites," said the German foreign minister, Klaus Kinkel.

Of Mr. Annan's mission, Mr. Kinkel said, "There is reason to be optimistic." The German defense minister, Volker Rühle, speaking more cautiously, said, "The text has to be examined, and above all, we need to see in practice that Saddam Hussein holds to the promises he has made."

Gunter Verheugen, a foreign policy spokesman for the Social Democratic opposition in the German Parliament, said: "World opinion will mean that this deal must be accepted. The Americans would find themselves in dangerous isolation if, pointing to some trifling detail or other, they insisted on a military strike."

## Another Storm Spent, Baghdad Shrugs It Off

'What Will Happen Will Happen' Is the Motto

By Youssef M. Ibrahim  
New York Times Service

BAGHDAD — After negotiations appeared to have averted a U.S. military strike, the people of Baghdad seemed cool and placid Monday — almost no-chalant.

In stores and coffee shops, people took it all in stride as they glanced at television screens that showed other Arabs supporting them and international diplomacy working full blast.

Even during the last four weeks, when it has appeared that a formidable American armada was getting ready to shower missiles over Iraq, hardly anyone here rushed to board food. And the value of the dollar, which usually soars in times of danger, has actually fallen.

Maher Yaacoub knew Sunday that things were looking up. He could see it by glancing at the reports taken from CNN that were flashing on the television set at Yasser Alkheidi's electric shop just behind the rice table where Mr. Yaacoub peddles single cigarettes from open packs.

The CNN reports, complete with Arabic translation, gave hourly details of talks in Baghdad with the United Nations secretary-general, Kofi Annan, asserting that they were going well. And everyone in Iraq knows that when the tightly controlled Iraqi media start showing uncensored reports from a major "imperialistic American" network, it is a clear sign things are swinging Iraq's way.

Still, Mr. Yaacoub said philosophically: "What will happen will happen. We have been there before."

Overall, some 60 people interviewed during the weekend appeared fatalistic, skeptical and even defiant despite assurances from their government that there was some hope after seven years of severe economic sanctions.

"My dear friend," said Kazem Hani, 24, a pharmacist, "we are at the mercy of America, whose president is surrounded by people who hate Muslims and Arabs, who has a sexual scandal on his hands that he wants to resolve at our expense and who is pressured by generals to try their new toy missiles on somebody. With odds like that our only refuge is God, not, excuse me, Kofi Annan."

The pharmacist was sipping tea Sunday afternoon with a colleague in Soraya's Pharmacy, off the main shopping artery, Saadoun Avenue. The largely empty shelves contained only two kind of medication: a painkiller and

an anti-depressant that can only be dispensed with a doctor's prescription.

As 13 clerics came in during a two-hour period, the two pharmacists were able to respond only to three requests for painkillers. To the rest the answer was the same: "Sorry, brother. I don't have it." The customers shuffled out in the same resigned way they shuffled in.

Does anybody around here ask for gas masks? Mr. Hani laughed bitterly. "You are talking to someone who has not eaten a banana in seven years," he said. "I last had meat a month ago. When I come to work every morning here, I say good morning to six engineers who are peddling cigarettes on this street to supplement their incomes. Do you believe anyone here is worried about gas?"

### Arab Officials Are Pleased

Leading Arab statesmen welcomed the agreement signed Monday between the United Nations and Iraq over weapons inspections, saying that it averted the specter of another war. The Associated Press reported from Cairo.

Palestinian officials said that the standoff had diminished the status of the United States in the Middle East.

"Maybe this can be an eye-opener for the United States," said the Palestinian higher education minister, Hanan Ashrawi. "It must understand that some of its assumptions about this region — the worthlessness of public opinion, the total bias toward Israel — have affected its credibility and ability to maneuver in this region."

Overall, the Arab world was relieved, Yasser Arafat, the Palestinian leader, hailed the accord as "a very successful agreement."

"It is a very good agreement," echoed President Hosni Mubarak of Egypt.

The 22-nation Arab League said it welcomed the agreement. "The option for a political solution has averted a very dangerous twist, which would have pushed the entire region into a catastrophe," the group's secretary-general, Esmet Abdel Meguid, said.

Kuwait said the agreement was good not only for the Iraqis but also for the Kuwaiti people. "It averts the dangers to the area and makes Iraq comply with Security Council resolutions," said the foreign minister, Sheikh Sabah al Ahmad al Jaber al Sabah.

In Damascus, Al Ba'ath, a Syrian government-run newspaper, called the agreement "a triumph for all peace lovers in the world."

point that it was "diplomacy that reached this agreement, not the saber-rattling." Mr. Annan chimed in:

"You can do a lot with diplomacy, but of course you can do a lot more with diplomacy backed up by firmness and force."

Mr. Aziz then denied that Iraq had climbed down, and went on to implicitly criticize the UN weapons inspectors and the commission's executive chairman, Richard Butler, by saying that even with an agreement, "individuals don't change their nature in an overnight."

But Mr. Annan had a quick retort. "Iraq and UNSCOM have had a difficult relationship at times," he said. "From Richard Butler right down, it is a task, whoever holds it, where there will be some difficulties."

"But what is important is for us to work out a practical, effective instrumental relationship to get the work done. What we are discussing here is a better and enhanced relationship between Iraq and the UNSCOM inspectors."

Mr. Aziz, rattled by the directness of the press, cut off one questioner who wanted to know how Iraq managed to change its mind about its ban on off-limits sites.

"First of all, you don't know what we have agreed upon," he said. "So don't rush to conclusions."

A question from a British reporter that suggested the West had little reason to trust Iraq promises provoked a sharp rebuff from Mr. Aziz about how successive British governments have over the years "backed down on commitments they gave to the Arabs."

Then Mr. Annan was asked by an Arab reporter what message he had for young people after what he had gleaned in this clash of Western and Arab interests. He spoke to both camps.

"In today's world, which is a rather interdependent one, we need to be sensitive to the concerns of others," he said. "We need to understand other cultures. We need to think in much broader terms than our own narrow confines, and realize that in this interdependent world, no one can afford to think in purely local terms."



Iraqis celebrating Monday in Baghdad over the UN inspection accord.

## IRAQ: Clinton to Give Annan's Accord With Saddam a Chance

Continued from Page 1

Saddam had agreed that the UN Special Commission for arms inspections could start visiting eight so-called "presidential sites" almost immediately.

Access to the sites and the composition of the inspection teams were among the chief disputes that triggered the crisis.

But U.S. officials said they were still reviewing terms of the accord. At the Pentagon, officials also said the buildup in the Gulf area would continue. About 500 more U.S. soldiers were en route to Kuwait, to join a regionwide force of 28,000.

"Whatever happens, we will be looking for action, not words" from Iraq, said James Rubin, the State Department spokesman.

The tentative agreement, worked out in a three-hour meeting in Baghdad between Mr. Annan and Mr. Saddam, was cautiously welcomed in most national capitals.

Some U.S. congressional leaders, however, voiced sharp skepticism that Mr. Saddam could be trusted to fulfill his side of the agreement.

Republicans said that while it would probably defuse the immediate crisis, it appeared to let Mr. Saddam off too easily.

"It may not be good enough," said the Senate majority leader, Trent Lott of Mississippi, a Republican. The Clinton administration, he said, is now "in a box" — faced with two unpalatable alternatives: accepting a possibly flawed agreement or defying strong opposition among U.S. allies to the use of force.

Facing the imminent threat of military action led by the United States, coupled

with mounting diplomatic pressure from the UN and several of its members, Iraq appeared to have given in on most of the curbs it sought to place on inspections.

Mr. Clinton said Monday that he had spoken at length with Prime Minister Tony Blair of Britain, who has stood by the United States in its threats of military force if deemed necessary.

The president spoke to Mr. Annan late Sunday and was also conferring Monday with President Boris Yeltsin of Russia and President Jacques Chirac of France.

Russia praised the agreement, and France said it hoped the accord lived up to expectations.

Britain said it was encouraged but wanted more details. Foreign ministers of the European Union, meeting in Brussels, welcomed the accord. While its details have not officially been made public, The New York Times said that these outlines had emerged during Mr. Annan's three days of meetings in Baghdad.

• Iraq agrees to permit inspections of the eight presidential sites, including buildings and grounds in three Baghdad compounds; three around Tikrit, the city north of Baghdad where Mr. Saddam was born; one in Mosul, on the edge of the Kurdish region in northern Iraq, and one in the southern port city of Basra.

• Iraq drops its insistence — a potential "deal breaker" — U.S. diplomats had said — on a time limit of 60 days for UN inspectors to visit the presidential sites. This shift reportedly came only after Mr. Annan asked the ambassadors of France and Russia to make it clear to Iraq that their countries would no longer accept such a deadline.

• Search teams will include experts of

the UN arms commission, but they will be accompanied by diplomats representing the five permanent members of the Security Council: the United States, Britain, France, China and Russia. That shift could be portrayed by Iraq as a dilution of the strong American presence on the inspection teams, the source of repeated Iraqi complaints.

• The deal apparently includes clauses about respecting the dignity and sovereignty of Iraq. This reportedly is in response to Iraqi charges that inspectors have sometimes barged into buildings, including residences, like police mounting a criminal raid.

Even so, many questions remained: Will there be new problems in a few weeks when inspectors seek access to other presidential palaces beyond the eight presidential sites? How firm an undertaking had Iraq provided not to block inspectors? How large will the teams be? Will the UN commission maintain complete control over its inspections?

Mr. Rubin, asked about diplomats' joining the UN inspectors, called it an unobjectionable "detail." "That's a flourish, a bell or a whistle or whatever you want to call it," he said.

Both Britain and the United States said that the agreement would vindicate their threats of force against Mr. Saddam.

In Brussels, after a meeting of European Union foreign ministers cautiously welcomed the accord, Foreign Secretary Robin Cook of Britain said the EU would insist on a new Security Council resolution on arms inspections so that Mr. Saddam would have "no room for argument" in the future.

## DIPLOMACY: No Clear Outlook on Iraq

Continued from Page 1

and with whose help — in developing nuclear, chemical and biological weapons and long-range missiles.

If the confrontation had escalated to military strikes, much of the evidence might have been destroyed, and the chances of getting Baghdad to agree to the re-entry of UN inspectors would have been slim.

In that sense, the diplomatic deal is the best outcome for avoiding upheaval in the Gulf, even short-lived, and maintaining collective Western unity.

But Mr. Saddam also has reason to be satisfied. Even if only marginally, he has succeeded in easing the U.S. grip on his nation, according to diplomats in Paris from Arab countries hostile to the Iraqi leader.

As a result of the confrontation, progress in completing the arms inspections will be constantly exposed to sharper international scrutiny. When UN specialists wanted to give Iraq a clean bill of health in the nuclear area last summer, the Clinton administration blocked the move lest it ease Iraq's isolation.

In future, U.S. diplomats acknowledged, Washington will find it harder to maintain these tough unilateral tactics at the United Nations to keep maximum pressure on Iraq. Now France, Russia and other countries have promised to take a closer interest in the process, a change bound to increase the psychological pressure for accelerating the job.

The inspections might have been nearing their end anyway if Iraq had cooperated. Richard Butler, the commission's head, said recently that "we know the remaining questions to ask and we know that the Iraqis know the answers." So within months, especially if more

teams are put on the job, Iraq could have a clean bill of health. Without bending UN rules, Iraq's challenge has almost certainly brought the end of sanctions closer, Arab and European diplomats said.

The prospect alone is enough to improve Iraq's borrowing power and enhance Mr. Saddam's leverage.

For the United States and its European and Arab allies, the tactics that worked in this crisis — notably, U.S. readiness to wield the stick while most allies emphasized carrots — may backfire if they harden into divergent policies, diplomats said Monday.

Beyond finishing the current disarmament program in Iraq, as now seems feasible, the United Nations is then committed to enforcing long-term surveillance.

The Clinton administration "is never likely to have anything to do with Iraq as long as Saddam is alive," Samuel Berger, the national security adviser, said last weekend.

Echoing U.S. claims, Foreign Secretary Robin Cook of Britain cited the threat of military pressure as the key factor. "It is a justification of the strategy we have been pursuing: If there had been no pressure on Saddam we would not have got a deal."

In contrast, France — and to a greater degree, Russia — make no secret of their view that Iraq has the potential for becoming a political and commercial partner. Paris has claimed credit for "never giving up on peace," according to Foreign Minister Hubert Vedrine. He said this month that even if Iraq left the world no choice but armed force, France would not take part in the attack or provide military support.

French voters massively opposed air strikes, and the French authorities did almost nothing to persuade the public that Iraq's weapons programs posed a serious international threat. Even though the French research laboratory specializing in chemical weapons corroborated the UN commission's alarmed conclusions about Iraq's capabilities.

The fact that a political solution now seems likely to be acceptable, even hailed in Washington, should promptly deflate the wilder caricatures of a trigger-happy superpower looking for a fight to draw attention from President Bill Clinton's domestic problems.

Even so, public opinion, especially outside the United States, seemed to lose confidence in Washington's ability to handle the crisis as the confrontation dragged on.

Partly a public relations problem, U.S. analysts said, the lack of solidarity with Washington may reflect a deeper trend in which European and Arab countries, conscious of their own shrinking capability to cope with foreign crises, tend to consider that force is not an effective option.

## JOB: U.S. Ponders Quotas

Continued from Page 1

tration was negative. But confidential White House documents show that the administration is now considering proposals that would increase the quota by 50 percent or more. The administration contends that any increase should be linked to education, training and new protections for American workers.

The debate comes in the context of a tight labor market. Overall, the national unemployment rate last year, averaging 4.9 percent, was the lowest since 1973.

One industry group, the Information Technology Association of America, sees "a severe shortage of competent and skilled information-technology workers." It says there are 346,000 vacancies, representing 10 percent of all the jobs for computer programmers and engineers and systems analysts.

The Commerce Department predicts that the United States will need more than 1.3 million new information-technology workers — an average of 138,000 a year — in the coming decade.

The Labor Department would prefer to keep the cap at its current level, but might give priority within the quota to industries that have shortages of skilled workers.

High-technology companies say that while they support more education and training for Americans, they need skilled labor immediately and therefore want to bring in additional foreign workers.

Hal Ponder, a lawyer with the AFL-CIO's department for professional employees, said organized labor opposed increasing the quota until there was more careful study of the problem.

"We question whether there is a shortage of information-technology workers," he said in an interview.

Norman Matloff, a professor of computer science at the University of California at Davis, said that many high-technology companies were seeking cheap labor. As a result, he said, they prefer to hire recent graduates and foreign workers and often discriminate against American computer programmers over the age of 40, who are perceived as requiring higher salaries.

## TETHER: Cellular-Phone Firms Can Tell Where You've Been

Continued from Page 1

Renata Cosby, a spokeswoman for Swisscom, the nation's dominant phone company, said last week that the company released such information only on a judge's order. Switzerland, like most European countries but unlike the United States, has privacy laws prohibiting collection of personal data without a specific business purpose.

Police elsewhere have found such information useful. A London prosecutor, Victor Temple, said he had used data from cell-phone records to convict a drug dealer of murder last year. The records showed calls converging at the scene of the murder, which helped to persuade a jury that the man's alibi was false.

In the United States, those who favor installing more advanced position-sensing equipment in cellular systems generally cite emergency services as a reason. By April of this year, the Federal Communications Commission will require cell phone companies to include approximate position information when passing along a call made to the "911" emergency-services number, and within three and a half years, the companies will have to be able to specify the caller's location to within 125 meters (400 feet).

The position information required by the first phase is simply the location of the cellular antenna that is processing the

call. In rural areas, a single antenna can serve an area, or cell, with a 25-mile (40-kilometer) radius; in cities, they serve cells only a few blocks in diameter.

But the second phase, which will begin in October 2001, will require special equipment. The industry is experimenting with two basic technologies that have very different implications for privacy: an "infrastructure" solution, in which position-sensing equipment would be installed on each antenna tower, and a "handset" solution that would incorporate global position sensing technology in each cellular telephone.

Privacy advocates prefer the handset solution because it would allow the caller to control who his or her position was given out.

Any system built into the tower's electronics, on the other hand, would be able to monitor the precise location of a cell phone whenever it was turned on. This information could be archived or used to build sophisticated customer profiles.

But the Federal Communications Commission is subtly, if inadvertently, discouraging phone companies from adopting the handset technology by requiring them to be able to find the position of two-thirds of all cellular calls, including calls made with old handsets.

Global-position sensing would be available only with new phones.

What bothers privacy advocates in the

United States is that law-enforcement agencies are lobbying for cellular tracking data. The FBI is pushing for access to position information when it has a warrant to tap a cellular phone.

For the most part, proponents play up the safety benefits of the cellular emergency call design, known as E911.

Dan Phylthyon, chief of the Federal Communications Commission's Wireless Telecommunications Bureau, said E911 would improve safety, which he said was a major reason people buy cellular phones. Even so, he said, "there also could be privacy concerns that emerge, which the FCC may need to address."

But because the two technologies have different potentials for abuse, some privacy advocates say it may be dangerous to wait until technical standards are set to address privacy concerns. Others argue that the battle should shift to legal standards because limits would be required with whichever technology is adopted.

"The companies are always going to think up new and better products that use location information," said James Dempsey, senior counsel at the Center for Democracy and Technology, a civil-liberties group. "We should concentrate on the legal standard for government access."

Law enforcement is right that this technology may help track kidnappers," he said. "But it's also going to help the kidnappers stalk their victims."



It seems that the decisive appeal from the international community has been met, and the German foreign minister, Klaus Kinkel, said, "There is reason to be optimistic." The German minister, Volker Ruehe, speaking at a press conference, said, "The text has to be examined above all, we need to see in practice whether it is a real step towards the peace." Kinkel, a foreign policy expert for the Social Democratic opposition in the German Parliament, said, "A world opinion is not a world opinion. The text has to be examined above all, we need to see in practice whether it is a real step towards the peace." Kinkel, a foreign policy expert for the Social Democratic opposition in the German Parliament, said, "A world opinion is not a world opinion. The text has to be examined above all, we need to see in practice whether it is a real step towards the peace."

## No Clear Outlook on Iraq

There is no clear outlook on Iraq. The international community has been met, and the German foreign minister, Klaus Kinkel, said, "There is reason to be optimistic." The German minister, Volker Ruehe, speaking at a press conference, said, "The text has to be examined above all, we need to see in practice whether it is a real step towards the peace." Kinkel, a foreign policy expert for the Social Democratic opposition in the German Parliament, said, "A world opinion is not a world opinion. The text has to be examined above all, we need to see in practice whether it is a real step towards the peace." Kinkel, a foreign policy expert for the Social Democratic opposition in the German Parliament, said, "A world opinion is not a world opinion. The text has to be examined above all, we need to see in practice whether it is a real step towards the peace."

## JOB:

U.S. Ponders

Continued from Page 1. The U.S. is pondering the situation in Iraq. The international community has been met, and the German foreign minister, Klaus Kinkel, said, "There is reason to be optimistic." The German minister, Volker Ruehe, speaking at a press conference, said, "The text has to be examined above all, we need to see in practice whether it is a real step towards the peace." Kinkel, a foreign policy expert for the Social Democratic opposition in the German Parliament, said, "A world opinion is not a world opinion. The text has to be examined above all, we need to see in practice whether it is a real step towards the peace." Kinkel, a foreign policy expert for the Social Democratic opposition in the German Parliament, said, "A world opinion is not a world opinion. The text has to be examined above all, we need to see in practice whether it is a real step towards the peace."

# Between Creativity and Profit: The London Pacemakers



By Suzy Menkes  
International Herald Tribune

LONDON — With cantilevered bosoms thrust high — and befeathered heads even higher — the models strutted the catwalk to detonate the European fashion season. Philip Treacy's hat show of corkscrew quills and sculpted plumes had every essential ingredient of a hot London fashion show: whimsy, creativity, craftsmanship and the inevitable eccentric sitting front row in a flying saucer hat with a Madame Butterfly kimono. And, oh yes, even a royal: the elegant Princess Michael of Kent.

London now sets the fashion pace, launching the fall-winter 1998 international shows that continue in Milan, Paris and New York over the next month. With 47 official designer shows — and a dozen other provocative off-Broadway presentations — London is on such a roll that in the fall, Saks Fifth Avenue will endorse Cool Britannia with a major British fashion promotion.

Yet against this positive background, British fashion still has to solve its essential dilemma: how to turn its creative genius into a buck. That is now the mission of Tony Blair's British government, which has set up a think tank to work out how to harvest its designer talent rather than see its fashion schools as a seed bed for international companies, from Paris couture houses through Donatella Versace, who has been trawling through London's bright hopes.

The Creative Industries Task Force, under the wing of the Culture Ministry, has co-opted Paul Smith, one of the rare British companies making serious money, with a 1997 sales of £171 million (£278 million). The typical British designer label has annual revenues of only £1 million to £2 million.

"We are fantastic at creativity, because of all the lateral thinking and free spirit, but looking this week at the sheer volume of glamour and all the adulation, the business still isn't there," said Smith, who shows his fledgling women's wear (already worth £12 million) on the runway for the first time on Tuesday.

The conundrum of London fashion was summed up by the witty and seductive little black dresses, their bosoms sculpted like race-car boods, that were the backdrop to Treacy's gravity-defying halos of feathers. The dresses were designed by Antony Price, an accomplished cutter, an ebullient personality and the darling of his private cli-

entele since the 1970s. Yet if his current discussions with Versace lead to the contract he longs for, it will be the first time that Price has had any investment in his talent.

"I have had no money — all my life has been making a silk purse out of a sow's ear," said Price. "Of course I could do Versace — I am an experienced pilot, if that is what they want."

Price's story is not unique — which is why the current courtship of young talent is hitherto to British fashion's founding fashion generation. Front row at Treacy was Zandra Rhodes, who has never succeeded in turning her name into a money-spinning brand. And on Saturday, Vivienne Westwood's secondary Red Label line showed how she might at last make money from her notoriety. She sent out a vivacious collection with all the hallmarks of her style: curvy shapes, saucy details and just a hint of provocation in draped jersey dresses spiked with metallic snows or dresses unpeeling in a spiral of zippers.

If Blair's government persuaded financial investors to back young British talent, who would be chosen? What about the design duo of Suzanne Clements and Inacio Ribeiro? They

exploded on slender skirts and dresses. Creative knitting is Laine Keogh's thing and the collection she showed Monday was a wondrous vision of a medieval princess, her dress spun as though from her golden locks, woolly coats the texture of old gold tapestries or the gray stones of ancient castle walls. The show's venue at a gilded theater and spider's-web long dresses made the knits seem more grand opera than winter woolies. But as a romantic concept, they were exceptional creations.

If the early shows have a message, it is a return to femininity. For Sonja Nuttall, that meant reworking the dress as a straight dark shift, with a swoop down at the neckline, a trickle of sequin decoration or a splash of flat computer-print flower. Any hint of sweetness was then cut with heavy boots or sneakers and by interspersing the dresses with easy pants, shirts and sweaters. Her road forward from minimalism is familiar from Europe's avant-garde designers: contrasts of textures, like a satin ribbon drawing in jersey pants; sparkle sprinkled on knits and the focus on detail.

With femininity to the fore, the skirt is making a comeback and was given a commercial spin at Nicole Farhi, a company with a serious business, making £60 million at retail in 1997. Farhi followed the silhouette laid down by Marc Jacobs, Jil Sander and Helmut Lang, showing sweaters with pleated skirts or simple pants, all in shades of gray. Neat sweaters with high V-necks shown with soft skirts or pants made a good look at Jean Muir, although the show got off to a shaky start with an awkward take on Alexander McQueen's signature wing-shoulders.

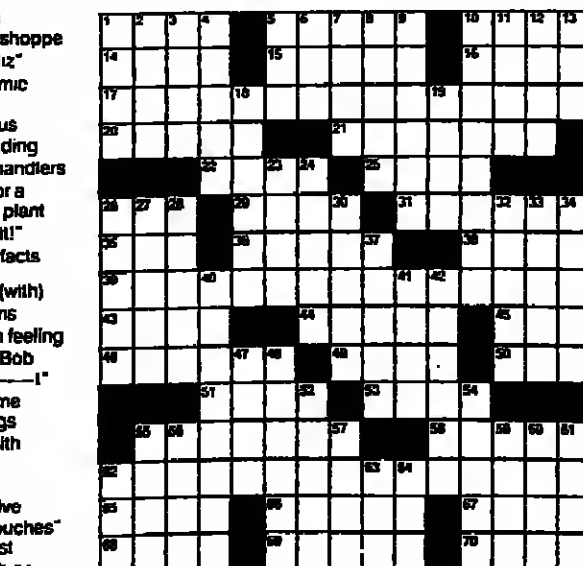
Other designers went one of two routes: acceptable commercial clothes that are pleasing to women but don't move fashion forward; or those desperate-to-be-different ideas, like turning a jacket lapel into a sleeve. Jasper Conran's sleek collection, with tidy tailoring and leaf-print decoration, went into the former bracket; the awkward cutting and draping at Copperwheat Blundell and Boudicca's experimental shapes fitted the second.

Turning the London look into money is the mission of John Wilson, chief executive of the British Fashion Council. With the combined annual sales of British designers up from £185 million in 1990 to £600 million in 1997, and 60 percent of the clothes exported, Wilson feels that investors in Britain should now take British designers as seriously as they are perceived abroad.

## CROSSWORD

**ACROSS**  
1 What jazz ends with, in England  
5 Leaves in, editorially  
9 One who's despondent  
14 Linen color  
15 One of the Dow Jones 30  
16 Elizabeth of the Red Cross  
17 30-Across, often quoted work of 1923  
20 Set  
21 Campus mil. org.  
25 90° on a compass  
26 Unit of oil production: abbr.  
28 Matter to go to court over  
31 Linen colors  
32 Statement from Pinochio  
36 Old-fashioned music hall  
38 River to the English Channel  
39 See 17-Across  
40 Evil one  
41 Common dice roll

**DOWN**  
2 Part of an orange  
3 Prefix with plasm  
4 Tiniest bit  
6 Marvelous  
7 Schuse, e.g.  
8 Quite a load  
9 Advantage  
10 Coffee  
11 1973 NASA launch  
12 Alternative to pregnancy  
13 Kind of shoppe  
14 "— Muz"  
15 Subatomic particle  
16 Judicious  
17 Last heading  
18 Ship's handlers  
19 Rarity for a century plant  
20 "That's all!"  
21 Absorb facts  
22 Played (with) diagrams  
23 Ho-hum feeling  
24 Rocker boob  
27 "Well, I—"  
28 Like some stockings  
29 Prefix with -drome  
30 Sign up  
31 Expensive  
32 "Los Moches" dramatist  
33 One with no hope of getting out  
34 Capital of Bolivia  
35 Extra  
36 The basics  
37 Cartoonist Peter  
38 Reduce to tears, maybe  
39 Stern  
40 BB's and such



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**Solution to Puzzle of Feb. 23**  
ACROSS  
1 What jazz ends with, in England: BOP  
5 Leaves in, editorially: IN  
9 One who's despondent: DOWN  
14 Linen color: LIME  
15 One of the Dow Jones 30: DOW  
16 Elizabeth of the Red Cross: ELIZABETH  
17 30-Across, often quoted work of 1923: "I AM A BOPPER"  
20 Set: SET  
21 Campus mil. org.: YAF  
25 90° on a compass: E  
26 Unit of oil production: BBL  
28 Matter to go to court over: LIT  
31 Linen colors: LIME  
32 Statement from Pinochio: LIES  
36 Old-fashioned music hall: MUSIC  
38 River to the English Channel: SEVERN  
39 See 17-Across: I AM A BOPPER  
40 Evil one: EVIL  
41 Common dice roll: ONE

**DOWN**  
2 Part of an orange: PITH  
3 Prefix with plasm: PLASMA  
4 Tiniest bit: BIT  
6 Marvelous: MARVELOUS  
7 Schuse, e.g.: SCHUSE  
8 Quite a load: LOAD  
9 Advantage: ADVANTAGE  
10 Coffee: COFFEE  
11 1973 NASA launch: COLUMBIA  
12 Alternative to pregnancy: ABORTION  
13 Kind of shoppe: SHOP  
14 "— Muz": MUZ  
15 Subatomic particle: MUON  
16 Judicious: JUDICIOUS  
17 Last heading: LAST  
18 Ship's handlers: SHIPHANDLERS  
19 Rarity for a century plant: RARE  
20 "That's all!": THAT'S ALL  
21 Absorb facts: ABSORB  
22 Played (with) diagrams: PLAYED  
23 Ho-hum feeling: HO-HUM  
24 Rocker boob: BOOB  
27 "Well, I—": WELL, I—  
28 Like some stockings: LIKE  
29 Prefix with -drome: DROME  
30 Sign up: SIGN  
31 Expensive: EXPENSIVE  
32 "Los Moches" dramatist: LOS MOCHES  
33 One with no hope of getting out: ONE  
34 Capital of Bolivia: LA PAZ  
35 Extra: EXTRA  
36 The basics: BASICS  
37 Cartoonist Peter: PETER  
38 Reduce to tears, maybe: REDUCE  
39 Stern: STERN  
40 BB's and such: BB'S



From left, Vivienne Westwood's broderie anglaise print on slender dress; Matthew Williamson's wool-fringed sweater and snowflake embroidery on skirt; Clements Ribeiro's sequined long shift dress with open-toed boots; and Philip Treacy's corkscrew hat worn with Antony Price strapless dress.



## BOOKS

### ALL THE WAY TO HEAVEN: An American Boyhood in the Himalayas

By Stephen Alter. 317 pages. \$25. Henry Holt.

Reviewed by Elizabeth Hightower

As a boy, Stephen Alter fished with his father, got car sick on long family drives, and explored the forested hills behind his house with a pet cocker spaniel named Schnapps. He had a girlfriend named Sue, with whom he scouted for secret swimming holes. All perfectly normal — except that the hills behind his house were the Himalayas. The swimming pools turned out to be Hindu cremation sites. His dog slept in the house because of hungry leopards, and the family car was an open Jeep, a veteran of India's border wars with Pakistan. And Alter and his dad fished the sacred Ganga River with surfcasting rods, catching four-foot-long mahseer and dodging corpses floating to the sea.

Born in 1956 and raised in a community called Landour, just outside the hill station of Mussoorie, Alter was the son and grandson of Presbyterian missionaries working in India since 1917. Populated by a hilarious cast of prudes and chazies, Landour is a wonderful mix of the chaotic and the raucous, the tolerant and the judgmental. Methodists, Menonites, Baptists, Lutherans, Quakers, Disciples of Christ, and Pentecostals speaking in tongues — they're all here, piled on the hillsides of Landour, bickering about how best to convert the Hindus and attending potluck dinners and school plays.

Alter and his brothers grew up playing side by side with local Hindu and Muslim children, their mother tongue a pidgin dialect of English and Hindi. But they were always reminded of who they were: "Sin was something that lay in wait for us, just beyond the boundaries of the hillside, lurking in the bazaar or hovering in the distance like a dust haze over the plains," Alter writes. "Many of the missionaries looked upon India as a country full of sinful heathens who were doomed to hell. As soldiers of the cross they had to set a good example, fighting temptation at every turning of the path."

"In many ways," Alter writes, "Landour was like a small town in middle America — Winesburg, Ohio, transported to the first range of the Himalayas. On the surface it was a quiet, pious world of motherly white women who always smiled at us when we met them on the path. A tribal loyalty existed on the hillside, a code of behavior and courtesy which was self-consciously American, reflecting the neighborly attitudes of a mythic world which only existed in story books."

Perhaps this sense of entitlement and ease was provided by the Hindu coolies (some of the book's most engaging characters), who did the wash, walked the kids to school, and literally carried the Western women to and from their summer houses. Visiting Alter's house every day was a procession of "wallahs" peddling their wares, first the

bread and milk wallahs, next the mutton, fish and pork wallahs, followed by the egg, cheese, newspaper, fabric, charcoal and junk wallahs, with a team of mattress-fluffers bringing up the rear.

The book begins with Alter, a miserable freshman at Wesleyan University in 1974, hitchhiking to Boston to visit a cousin. He accepts a ride from a sinister stranger — one who seems to know everything about his life in Landour. "I felt completely vulnerable," Alter writes, "as if he had gained access to my memories and there was nothing I could hide from him." But after pages of suspense, Alter abruptly ends the chapter by confessing, "To this day the driver in the red Buick remains a mystery for which I have no explanation." Alter should have been on the lookout for a red herring, not a red Buick.

Alter ultimately leaves us hanging. The book ends as it begins, with a lonely kid yearning for a hill town far away. After falling in love with Mussoorie and coming to like the boy in the Himalayas, we worry about the Wesleyan freshman, so out of place in an America not his own. Now that kid has grown up to be a writer-in-residence at MIT, who traveled back to Mussoorie on a grant to research this book. But he never mentions what happened in between: Did he return to his Himalayan home? What about his parents and brothers? What has his missionary community become? It's a tribute to the vibrancy of Alter's portrait of life in Mussoorie that we care so much.

Elizabeth Hightower, deputy editor of Preservation magazine, wrote this for The Washington Post.

## CHESS

By Robert Byrne

### SICILIAN DEFENSE

White	Black	White	Black
Roz'lls	Sadler	Roz'lls	Sadler
1 e4	c5	15 Kf1	g6
2 c3	Nf6	16 Nge2	Bg7
3 e5	Nd5	17 Ng3	Bc2
4 d4	cd	18 Qd2	e4
5 cd	d6	19 Ng4	Bd4
6 Bc4	Nb6	20 Ne4	Qc5
7 Bb5	Nc6	21 Qd3	0-0
8 Nc3	d6	22 b4	Rf6
9 d5	a6	23 Rh3	Rac8
10 Ba4	Nd4	24 Rc3	Qc6
11 Qa4	b5	25 Qc2	Nb5
12 Nb5	Bd7	26 Qc1	Bc3
13 Nc3	M44	27 bc	Rc3
14 Qd1	Bf5	28 Resigns	

IN decisively winning the 73d running of England's traditional Hastings International Tournament, Matthew Sadler mowed down the competition tallying 7-2. When the Dec. 29 to Jan. 11 event ended, there was a gap of a point and a half between him and the two players who tied for second.

In the fourth round, Sadler challenged a favorite anti-Sicilian method of Eduardo Rozentalis, a Lithuanian grandmaster, and showed his opponent he understood even more about it. Chalk up an important point.

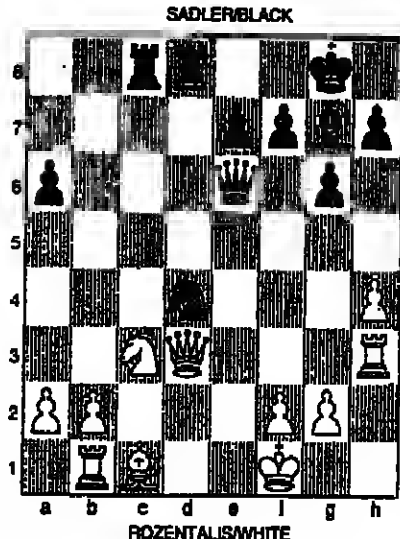
In recent years 2 c3 has become remarkably popular against the Sicilian Defense. It helps White avoid being saddled with a backward c pawn in various endgames, and it aims for a broad center with d4 rather than the usual 2 Nf3, 3 d4 and ...cd 4 Nd4.

The most challenging response is 2...Nf6, which makes White choose either the tame 3 d3 or the advance with 3 e5, which may be premature. Rozentalis is known as a connoisseur

of 7 Bb5 and likes to answer 7...Bd7 with the enterprising 8 e6!? All well and good, but on the only previous occasion that 7...Nc6 was tried against him the game ran identically with this one through 14 Qd1 and soon ended in a draw. But this time he was upstaged by the Englishman's 14...Bf5! in place of 14...g6.

Returning to 12...Bd7, Rozentalis did not play 13 Nd6 ed 14 d6 because 14...Bc6 yields Black the bishop pair while the advanced white c pawn is not easily supported.

Since 15 Qa4 Qd7 16 Qd7 Kd7 would produce a very strong endgame for Black, Rozentalis took the alternative with 15 Kf1, despite the uncomfortable location of his king. Sadler thrust 18...e4!, letting Rozentalis get one of his bishops after 19 Ng4 Bc4 20 Ne4, but emphasizing his lead in development after 20...Qd5, in spite of the reduced material. It was surely the quickest way home.



Position after 25 Bb1



12 Month		54	
High	Low	High	Low

**EBC Sees Tough Year for Loans**  
*and Tighter Provisions  
 Based on Profit Rise*

**ing Ahead**  
**Global Econom**

**CURRENCY**

**CURRENT**

**Continued on Page 16**



TUESDAY, FEBRUARY 24, 1998

PAGE 13

## HSBC Sees Tough Year Over Loans

### Bank Triples Provisions As It Posts 8% Profit Rise

By Philip Segal  
International Herald Tribune

HONG KONG — HSBC Holdings PLC, the global banking powerhouse that makes most of its money in Asia, said its net profit rose 8 percent in 1997, less than expected, and it more than tripled its provisions for bad debts in Asia and warned that 1998 would be rocky.

HSBC, the largest banking company in both Britain and Hong Kong, is now based in London, but the company traces its origins to Hongkong & Shanghai Banking Corp. Its net profit rose to \$3.36 billion (\$5.5 billion), the holding company said. Analysts had expected an increase of at least 10 percent.

The results were announced after the stock market closed higher in Hong Kong on hopes of solid earnings from HSBC. The company's stock rose 4 Hong Kong dollars to close at 204 dollars (\$26.35). In London, where the stock also is traded, it rose 47 pence to close at £16.13.

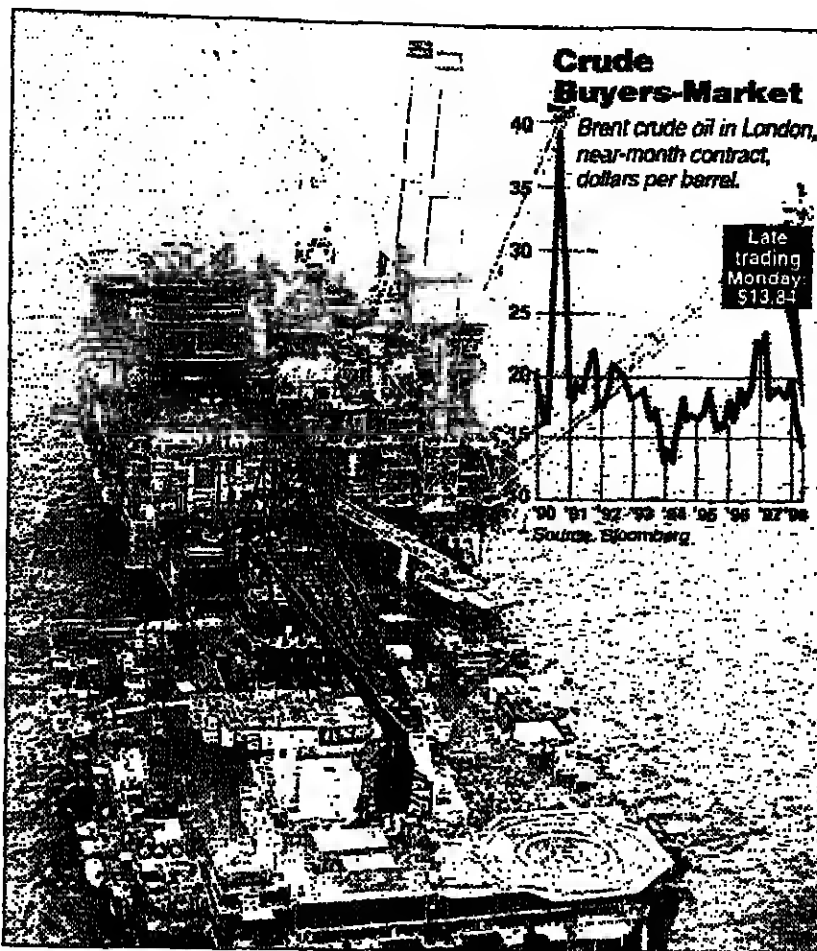
HSBC indicated in its earnings report that the most serious consequences of the region's financial crisis had yet to be seen. Given that the company is one of Hong Kong's healthiest banks, that could spell poor results for many of the region's other banks, most of which report their earnings this week and in early March.

"The coincidence of weak exchange rates, significantly lower stock-exchange levels and high interest rates in many countries," said William Purves, HSBC chairman, "has led to a deterioration in credit quality, the full impact of which is only beginning to emerge."

The company said its exposure to borrowers in the Asian countries that sought bailouts from the International Monetary Fund in 1997 — South Korea, Indonesia and Thailand — represented less than 2 percent of its assets at the end of last year.

Earnings at HSBC's largest unit, the

See HSBC, Page 18



## A Peace Dividend From the Gulf

### Prices Plunge to 4-Year Low in a Market Flooded With Oil Products

By Tom Buerkle  
International Herald Tribune

LONDON — Call it the Gulf peace dividend.

News of a tentative agreement on weapons-site inspections between the United Nations and Iraq sent the price of oil plunging to its lowest level in four years Monday.

Although the risk of conflict remains unless the agreement is endorsed by the United States and other members of the UN Security Council, oil prices are likely to stay under pressure because global markets are awash in crude oil, analysts said.

The trend is good news for consumers in the industrialized countries of the West and Asia because it helps to lower oil import bills and ease inflationary pressures. But it threatens severe economic pressure for oil producers, especially in the Middle East.

The price of North Sea Brent for April delivery fell Monday to \$13.83 a barrel on the International Petroleum Exchange from \$14.37 on Friday.

In New York, crude oil for April delivery was at \$15.36, down 88 cents from Friday.

Only last October, the benchmark crude fetched more than \$21 a barrel. In inflation-adjusted terms, the price was the lowest since oil began flowing from Britain's North Sea fields in 1974.

For Saudi Arabia, the world's largest producer, a continuation of current price levels would slash oil revenue by as much as \$10 billion this year, to \$47 billion, according to Petroleum Finance Co., a Washington-based consultancy. That would strain the ability of the Saudi monarchy to use government spending and subsidies to keep a lid on social and political pressures, including Islamic fundamentalism.

"The Saudis are very vulnerable to this," said Vahan Zanooyan, head of Petroleum Finance.

Other exporters also will feel the strain. Every \$1 drop in the price of a barrel of oil slashes oil revenue by \$800 million a year for Iran and \$700 million for Venezuela.

For the exporters, almost everything is working against them.

Unseasonably warm weather in many parts of the Northern Hemisphere has slashed demand for heating oil this winter. Western Europe has experi-

enced one of its mildest Februaries on record.

The economic crisis gripping much of Asia, meanwhile, has curbed energy appetites in what was the world's fastest-growing market for oil. Analysts estimate that Asian demand has dropped by as much as 500,000 barrels a day.

Making matters worse in the face of falling demand, members of the Organization of Petroleum Exporting Countries raised their production quotas by 10 percent in November, and then proceeded to exceed them. OPEC's output is estimated at as much as 28.5 million barrels a day, largely because Venezuela has opened its doors to foreign investment and is letting oil flow onto the world market as fast as companies can pump it.

Finally, one of the first consequences of a successful weapons-inspection agreement in Iraq could be a sharp rise in Iraqi exports. The UN agreed last week to allow Baghdad to more than double its oil sales to \$5.2 billion over six months to buy food and medicine. The only constraint on Iraqi exports, currently estimated at 1.25 million barrels a day and heading toward 2 million, is a lack of parts and technology.

## Kim Aims to 'Front-Load' Seoul Reforms Before Pain Kicks In

By Don Kirk  
International Herald Tribune

SEOUL — President-elect Kim Dae Jung's advisers are counting on South Koreans to rally behind his program of economic reform in the honeymoon period after his inauguration Wednesday, but they fear a sharp backlash when a prolonged recession sets in later in the year.

"Our aim is to front-load our toughest economic policies early on while the president enjoys his highest popularity," one of Mr. Kim's senior economic advisers, Yoo Jong Keun, said in an interview Monday. "By the time the pain of reform starts to bite, we hope the reform process will have progressed to the extent it cannot be reversed."

That strategy comes from Mr. Kim's precarious position as a one-time political prisoner about to take charge of a coalition government.

Elected president in December in his fourth attempt with barely 40 percent of the votes, Mr. Kim has vowed to combat the power of the *chaebol* or conglomerates that dominate the South Korean economy. But he needs conservative support in the National Assembly, where the outgoing government has a majority.

Mr. Kim's advisers say that getting economic reforms through the legislature will be more difficult the longer it takes. Mr. Yoo said he feared that Koreans "are not fully aware of the magnitude of the problem" and "are losing their sense of urgency" about the need for reform.

Ironically, Mr. Yoo said, praise for Seoul's reform efforts from the International Monetary Fund, the agency responsible for piecing together a \$50 billion bailout package in December, has contributed to the sense of apathy about immediate reform measures.

"It doesn't help to hear from in-

ternational experts who say Korea has turned the corner," said Mr. Yoo, governor of North Cholla Province, a Kim stronghold. "With respect to the financial crisis, we're just beginning to turn the corner."

While such optimism was "a vote of confidence in our new government," Mr. Yoo said, "it gives a false sense of security to Koreans."

The mood here has been one of growing confidence in Seoul's ability to deal with economic crisis ever since a negotiating team, which included Mr. Yoo, persuaded representatives of international creditor banks last month to roll over \$24 billion in short-term debt into bonds maturing in one to three years.

Mr. Kim's advisers point out, however, that the country has to pay more than \$10 billion in debts that come due in March and that both domestic and foreign banks are reluctant to extend fresh credit.

Mr. Kim has estimated South Korea's foreign-exchange reserves at \$15 billion, half of what the IMF has stipulated as the minimum needed for fiscal security, though he predicted the reserves would reach \$30 billion by June.

"In the short term, things will get worse," said Peter Bartholomew, managing director of Industries Research & Consultants. "Many companies are down to four, three, two or even one day of work a week. The inventory of materials will be depleted by the end of March. All they're importing are critical materials like oil, iron ore, coking coal and medicines."

Mr. Bartholomew foresees a pattern in which "bits and pieces" of failure are "growing into larger chunks, and the food chain of the economy is slowly being shut down."

The government sought to give the *chaebol* some of the means to reform

themselves with a new law recently accepted by labor unions that allows large-scale layoffs. But the Korean Confederation of Trade Unions, which has 600,000 members in such sectors as automaking and shipbuilding, threatens strikes and walkouts if companies "abuse" this right or overlook requirements that they discuss layoff plans with union leaders and dismiss workers only in cases of "emergency."

The confederation, however, appears reluctant to press as hard on the issue as some of its members have demanded.

Workers at Hyundai Motor Co.'s main plant in Ulsan, on the southeastern coast, said Monday they would protest the suspension of five of the automaker's lines amid sagging domestic sales.

Earlier, Hyundai said it had agreed on price increases with its tire suppliers.

See KOREA, Page 18

## Thinking Ahead / Commentary

### Global Economy Needs Salesmanship

By Reginald Dale  
International Herald Tribune

WASHINGTON — A worthwhile attempt to improve and streamline the rules governing international investment has become the latest target of zealots seeking to stem the tide of economic globalization by fair means or foul.

The campaign against a proposed Multilateral Agreement on Investment, currently being negotiated by the 29 members of the Organization for Economic Cooperation and Development, has reached a level of hysteria out of all proportion to reality.

One opponent, Jack Lang, the former French minister of culture, maintains that the agreement would create "a kind of world economic soviet" to promote the interests of large corporations, beyond the reach of popular control, and jeopardize the future of European integration.

Others have made wild charges that the proposed agreement would prevent action to head off future Asian-style financial crises and that it would have kept apartheid alive in South Africa by barring economic sanctions against the former white-minority government.

There is absolutely no evidence for any of these extravagant claims, which are based on little more than pure fantasy. In fact, the international business community is displeased that many of the more ambitious aims of the

exercise, such as the elimination of double taxation, have been dropped.

The truth is that much of the proposed accord, intended to ban discrimination against foreign investment, reflects existing international policies and agreements. Many of the critics' more serious objections have been met. What's more, following inconclusive high-level talks in Paris last week, the whole thing could fail.

But none of that is likely to stop the propaganda barrage against the agreement, which is fast becoming a textbook case of how a relatively small number of activists, usually claiming to represent labor and environmental causes, can undermine economic liberalization initiatives.

Although such initiatives are generally beneficial — the agreement, for instance, would help to make investment more efficient, generating more jobs, higher growth and improved living standards — they also need to be clearly explained by governments if their advantages are to be properly understood.

If governments do not carefully prepare the political ground, as they have lamentably failed to do for this agreement, the way is left open for the activists to launch potentially devastating misinformation campaigns.

The technique has become depressingly familiar. First come allegations that the international agreement in question has been hatched in complete secrecy, or that its implications are

being deliberately kept hidden from the general public.

Next is a claim that the whole thing is a conspiracy cooked up by multinational corporations with the aim of evading government controls. Finally, the agreement is said to erode national sovereignty, threaten the environment and jeopardize the jobs and wages of ordinary workers.

In the United States, these one-size-fits-all allegations were used unsuccessfully against the North American Free Trade Agreement and the establishment of the World Trade Organization and more recently, and with greater effect, against President Bill Clinton's request to Congress for renewed "fast-track" trade negotiating authority.

The success in blocking "fast track" has emboldened the opponents of the proposed accord — even though most of their assertions are demonstrably false. It is just not true that the agreement has been negotiated in secret or that labor and environmental representatives, and other interested parties, have not been consulted.

Big difficulties remain to be settled, mainly between the United States and the European Union, on issues such as the protection of national cultural assets, subsidies and economic sanctions. There may in the end be no agreement.

That would be a pity, but not a tragedy. The tragedy would be if elected governments failed to learn that they must get smarter than the saboteurs who seek to disrupt the global economy.

## CURRENCY & INTEREST RATES

Cross Rates									
	£	¥	DM	FF	Li	DK	S	Sc	Sw
Australia	1.51	1.33	1.07	1.33	1.10	1.10	1.10	1.10	1.10
Canada	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
France	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
Germany	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Italy	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Japan	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
South Africa	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Spain	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
Sweden	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Switzerland	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
UK	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
US	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Libor-Libor Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Africa	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spain	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Sweden	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Switzerland	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Africa	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spain	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Sweden	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Switzerland	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

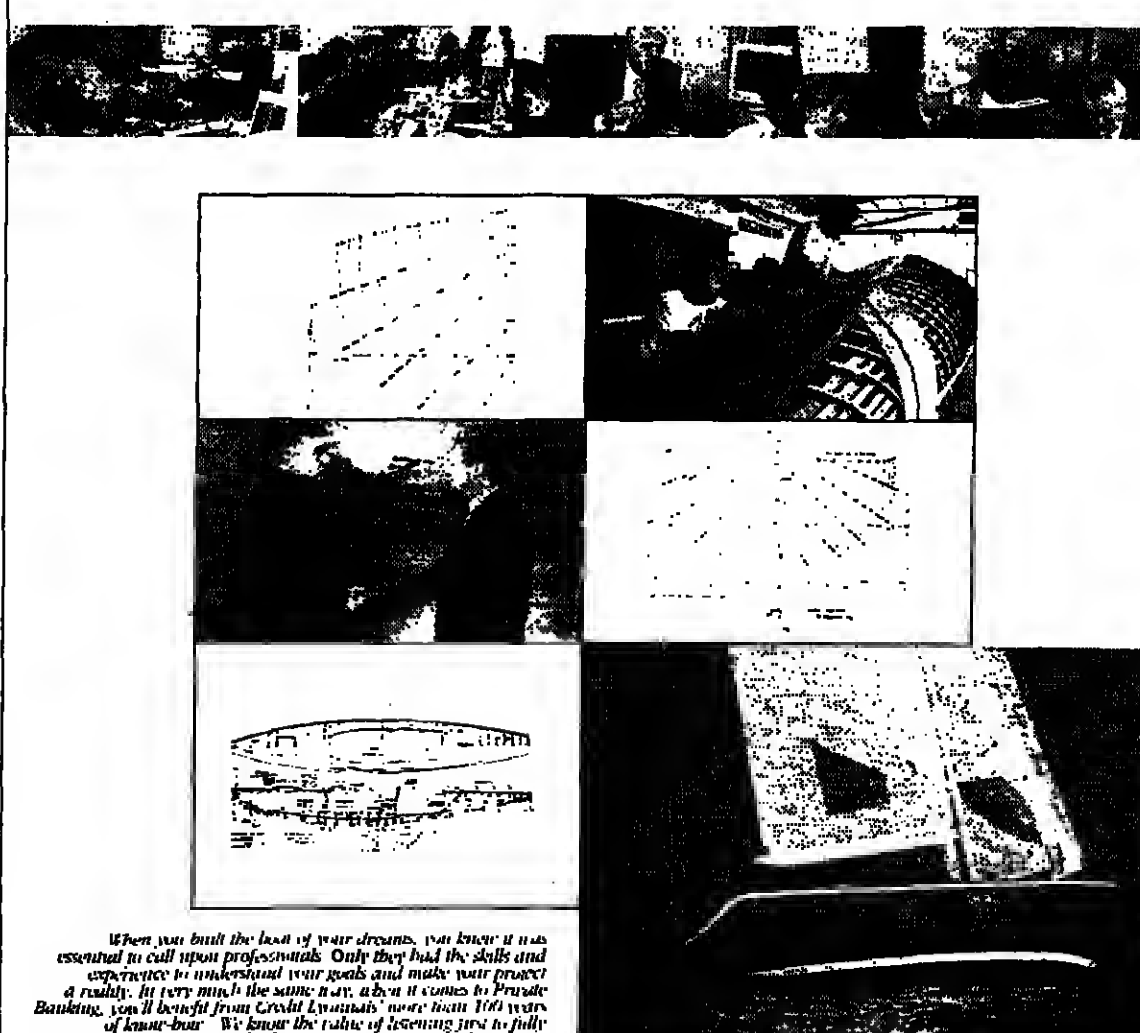
Other Dollar Values									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Africa	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spain	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Sweden	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Switzerland	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Forward Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Africa	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spain	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Sweden	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Switzerland	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

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# Government Plans to Sell a 30% Stake in Air France

Compiled by Our Staff From Dispatches

PARIS — In a move to cut costs and make the airline more attractive to potential partners, the French government said Monday that it would sell up to 30 percent of Air France to the public and the airline's employees, while keeping a majority stake in the firm.

Finance Minister Dominique Strauss-Kahn said 20 percent of the national airline would be sold this year in an initial public offering — 17 percent will be offered to the public and 3 percent to employees. An additional 10 percent will be offered to pilots and managers in exchange for a 15 percent wage cut aimed at lowering costs.

The government would hold 53 percent of the airline under the plan. It hopes to raise 3 billion francs (\$492 million) from the sale, according to some reports.

The sale, which is expected to value the company at about 20 billion francs, will make it easier for Air France to forge international

partnerships. European rivals Alitalia SpA and Iberia Lineas Aereas de Espana ended talks with Air France on forging alliances and the company has also struggled to strike trans-Atlantic partnerships.

"The sale is of vital importance to Air France," said Francois-Marie Wojcik, a fund manager at CCR Actions. "As long as it remains in state hands, it will always miss out on much-needed alliances because of concern about state interference."

Dong McVine, a senior analyst at Teal Group, an aviation consultant, said: "It's a sign that the carrier is awakening to commercial realities."

In the next five years, Air France plans to spend 40 billion francs to improve its fleet and add new routes, Transport Minister Jean-Claude Gaxotte said Monday.

Analysts said the government's sale of a minority stake would have to be priced competitively to attract investors, but recent improvements in the business should ensure that the operation is a success.

Air France has not always enjoyed a positive image among international investors, and the government's retention of a controlling stake in the company could deter some potential buyers, the analysts said.

Christian Blanc left as chairman in September because he was unable to persuade the government to privatize the company fully.

One of the main attractions of the shares will be the turnaround that

has been engineered in the company's performance in recent years. The company reported net profit for the first half to September of 1.762 billion francs, up from 597 million a year earlier, and said earnings for the full year to March will be close to the first half level. An earlier forecast of net profit was around 1 billion francs.

The sale announcement comes as Transport and Foreign Ministry officials in France prepare for a round of negotiations on a new treaty with the United States. Such treaties govern how many airlines may serve a given market and how much capacity they can offer.

France is now the only country in Europe without an air treaty with the United States. The French threw out their U.S. treaty in 1992 to shelter their national carrier from competition. (AFP, Bloomberg)

## BA Seeks Bids for a 100-Jet Order

Compiled by Our Staff From Dispatches

LONDON — British Airways PLC said Monday it needed as many as 100 new jets and wanted Boeing Co. and Europe's Airbus Industrie consortium to bid for the order, which it valued at as much as \$3.2 billion.

The manufacturers have until March 16 to complete their initial bids for the contracts to replace aging planes at four regional European-based subsidiaries of British Airways. BA has historically used Boeing rather than Airbus planes for its fleet.

The rival aircraft makers both expressed immediate interest in competing for the orders.

Susan Bradley, a Boeing spokeswoman in Seattle, said she was sure Boeing would "pursue an opportunity of that magnitude very aggressively."

In Paris, Airbus Industrie said in a statement, "Of course we will be taking part in the competition." It

added, "British Airways is currently flying 10 of our aircraft, and we would be happy to provide more."

Bob Ayling, British Airways' chief executive, said: "We want to look at what both Boeing and Airbus have to offer and will accept the best proposal. Airbus has an equal chance of success. We hope to make a final decision before the summer."

BA said 30 planes would be needed on its British Airways Regional operation by September 1999, a purchase that could be worth \$960 million.

British Airways Regional, which operates from Birmingham and Manchester airports in England, serves 26 short-haul destinations in Britain and Europe and has one long-haul route, to New York.

BA also plans to buy about 70 other planes to replace those operated by three other subsidiaries: Air Liberte in France, Deutsche BA in Germany and British-based

EuroGatwick. That deal could be worth \$2.2 billion, the company said. Air Liberte flies from Paris's Orly Airport and serves 50 European destinations. Deutsche BA, based in Munich, flies to seven German cities and Gatwick Airport in England. EuroGatwick operates 41 short-haul routes in Europe and Britain from Gatwick.

The airline said it was looking at Airbus Industrie's A319, A320 or A321 or Boeing's B737 series for the short-haul order.

The majority of BA's current planes are Boeing 737s, 747s, 757s, 767s or 777s, but the airline said it also had 10 Airbus A320s, seven McDonnell Douglas DC-10s and seven Concorde.

Mr. Ayling said the new aircraft would enable the company to meet noise regulations that will come into effect in 2002 as well as to save money by reducing costs. (AP, AFP)

## DSM to Acquire Biotechnology Company

Reuters

AMSTERDAM — DSM NV said Monday it planned a friendly 2.9 billion guilder (\$1.45 billion) takeover of Gist-Brocades NV, a Dutch biotechnology company.

The move is intended to create a top supplier of specialty chemicals to the global food and drug industries.

"This will create a powerful new force in pharmaceutical and food ingredients with leadership positions in many markets," the DSM chairman, Simon de Bree, said.

Shares in both companies soared on the news. Gist-Brocades closed up 4.90 at 64.90, while DSM gained

2.70 to 203.50. Mr. de Bree said that on the basis of 1997 figures, the combined group would have revenue of 14.6 billion guilders, of which some 25 percent, or 3.7 billion guilders, would derive from pharmaceutical and food ingredients.

DSM said its offer in cash and shares valued Gist at 66 guilders per share, a 30 percent premium to its recent market price.

Mr. de Bree said DSM's strength in organic fine chemicals and Gist's complementary expertise in fermentation and enzyme technology would provide a sound base for profit growth. DSM expects the

takeover to be neutral for earnings per share in 1998 but said the synergies released by bringing the two businesses together would generate an extra 50 million guilders a year in operating profits.

Herman Scheffer, the Gist chairman, who will join the DSM board if the deal goes through, said the accord would give Gist the financial resources it needed to pursue growth opportunities.

Mr. de Bree said DSM planned to retain and invest in all of Gist's main businesses: industrial pharmaceuticals, bakery ingredients and food specialties. (Reuters, Bloomberg, AFP)

## Deal for Inter-Continental Helps Bass Move Upscale

Reuters

LONDON — Bass PLC's acquisition of the Inter-Continental Hotels & Resorts chain has left the British brewing and leisure company well-positioned for the next five years, Sir Ian Prosser, the chairman of Bass, said Monday.

"I think we have re-established and restructured our asset base very successfully, and we are now in the markets that we want to be in," Sir Ian said.

The £1.78 billion (\$2.91 billion) acquisition of Inter-Continental from Saison Group of Japan means that Bass, which beat rival bids from Marriott International Corp. and Patriot American Hospitality Inc., has widened its reach as an international upmarket hotel company. The deal helped lift Bass shares Monday to £10.19, up 50 pence.

Analysts said that although the price, at 16 times Inter-Continental's 1997 profit, initially looked expensive, the deal will produce cost savings and strong growth potential.

Fraser Raman, an analyst at Lehman Brothers, said: "Cost savings, revenue enhancements and the company's ability to invest in the business promises a 12 percent return in year four. Bass has found a home for its cash which will give plenty of value for shareholders over the medium term."

Bass already owns Holiday Hospitality, whose brands include Holiday Inn, Crown Plaza and Staybridge Suites. Holiday Hospitality operates or franchises about 2,400 hotels in nearly 60 countries. Most of Inter-Continental's hotels are in Europe, the Middle East and Africa, where Holiday Inn is weak.

The hotel chain came up for sale because Saison had come under pressure to cut debt, and the collapse in Asian financial markets forced it to drop plans for a separate flotation. Saison has suffered losses in its core supermarket chain, Seiyu Ltd.

## WORLD STOCK MARKETS

Monday, Feb. 23

Prices in local currencies.

Amsterdam

High Low Close Prev.

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**The 1,000 most traded National Market securities**  
in terms of dollar value, updated twice a year.  
*The Associated Press*

姓名	性别	年龄	籍贯	民族	文化程度	职业	住址	备注
王德胜	男	45	山东	汉族	小学	农民	山东省潍坊市青州市	
李国强	男	38	河南	汉族	初中	工人	河南省郑州市	
张为民	男	52	河北	汉族	小学	农民	河北省石家庄市	
赵子龙	男	28	湖北	汉族	高中	教师	湖北省武汉市	
刘青山	男	60	四川	汉族	小学	农民	四川省成都市	
陈永年	男	42	广东	汉族	初中	工人	广东省广州市	
周大伟	男	35	浙江	汉族	小学	农民	浙江省杭州市	
吴小华	女	25	江苏	汉族	高中	学生	江苏省南京市	
孙建国	男	55	安徽	汉族	小学	农民	安徽省合肥市	
郑为民	男	48	江西	汉族	初中	工人	江西省南昌市	
冯大刚	男	32	湖南	汉族	小学	农民	湖南省长沙市	
马永年	男	65	广西	汉族	小学	农民	广西壮族自治区南宁市	
周小华	女	22	福建	汉族	高中	学生	福建省福州市	
吴建国	男	58	贵州	汉族	小学	农民	贵州省贵阳市	
孙为民	男	40	云南	汉族	初中	工人	云南省昆明市	
郑大刚	男	30	陕西	汉族	小学	农民	陕西省西安市	
冯小华	女	20	甘肃	汉族	高中	学生	甘肃省兰州市	
马建国	男	62	宁夏	汉族	小学	农民	宁夏回族自治区银川市	
周为民	男	45	青海	汉族	初中	工人	青海省西宁市	
吴大刚	男	35	新疆	汉族	小学	农民	新疆维吾尔自治区乌鲁木齐市	
孙小华	女	25	内蒙古	汉族	高中	学生	内蒙古自治区呼和浩特市	
郑建国	男	55	吉林	汉族	小学	农民	吉林省长春市	
冯为民	男	48	辽宁	汉族	初中	工人	辽宁省沈阳市	
马大刚	男	32	黑龙江	汉族	小学	农民	黑龙江省哈尔滨市	
周小华	女	22	河北	汉族	高中	学生	河北省石家庄市	
吴建国	男	58	山东	汉族	小学	农民	山东省潍坊市青州市	
孙为民	男	40	河南	汉族	初中	工人	河南省郑州市	
郑大刚	男	30	湖北	汉族	小学	农民	湖北省武汉市	
冯小华	女	20	四川	汉族	高中	学生	四川省成都市	
马建国	男	62	广东	汉族	小学	农民	广东省广州市	
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吴大刚	男	35	江苏	汉族	小学	农民	江苏省南京市	
孙小华	女	25	安徽	汉族	高中	学生	安徽省合肥市	
郑建国	男	55	江西	汉族	小学	农民	江西省南昌市	
冯为民	男	48	湖南	汉族	初中	工人	湖南省长沙市	
马大刚	男	32	广西	汉族	小学	农民	广西壮族自治区南宁市	
周小华	女	22	福建	汉族	高中	学生	福建省福州市	
吴建国	男	58	贵州	汉族	小学	农民	贵州省贵阳市	
孙为民	男	40	云南	汉族	初中	工人	云南省昆明市	
郑大刚	男	30	陕西	汉族	小学	农民	陕西省西安市	
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马建国	男	62	宁夏	汉族	小学	农民	宁夏回族自治区银川市	
周为民	男	45	青海	汉族	初中	工人	青海省西宁市	
吴大刚	男	35	新疆	汉族	小学	农民	新疆维吾尔自治区乌鲁木齐市	
孙小华	女	25	内蒙古	汉族	高中	学生	内蒙古自治区呼和浩特市	
郑建国	男	55	吉林	汉族	小学	农民	吉林省长春市	
冯为民	男	48	辽宁	汉族	初中	工人	辽宁省沈阳市	
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孙为民	男	40	河南	汉族	初中	工人	河南省郑州市	
郑大刚	男	30	湖北	汉族	小学	农民	湖北省武汉市	
冯小华	女	20	四川	汉族	高中	学生	四川省成都市	
马建国	男	62	广东	汉族	小学	农民	广东省广州市	
周为民	男	45	浙江	汉族	初中	工人	浙江省杭州市	
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## ASIA/PACIFIC

## Indonesia Will Delay Its Plan for Rupiah Peg

Compiled by Our Staff From Dispatches

JAKARTA — Indonesia bowed to international pressure Monday and said it would delay pegging its currency to the dollar until its companies could renegotiate \$74 billion in foreign debt.

Finance Minister Mar'ie Muhammad signaled a retreat after the currency proposal was criticized by the International Monetary Fund, which threatened to suspend payments under its \$43 billion bailout of the economy.

But Mr. Mar'ie stressed that preparations for a fixed exchange-rate mechanism were still going forward.

"The president has not made any other decision since he instructed Parliament and the Finance Ministry to prepare for a currency-board system," Mr. Mar'ie said at a parliamentary budget committee hearing.

The proposal sought to stabilize the country's battered currency, the rupiah, which has lost more than 70 percent of its value since the Asian currency crisis started in July. On Monday, the dollar rose to 9,450 rupiah in local trading from 8,900 rupiah Friday.

The currency-board plan has drawn criticism from the United States, European governments and the IMF, which argue that Indonesia will not be ready for such a system until it implements banking and other economic reforms.

Chan Chia Lin, head of economic research at ABN-AMRO Holding NV's trading unit in Singapore, said Indonesia's action indicated it was "coming to terms with international pressure" and that the threat of a \$40 billion loan withdrawal was "too significant a factor to ignore."

Comments that Mr. Mar'ie made Monday signaled the government was retreating from quick implementation of a currency board.

"The matter of restructuring private foreign debt has to be done first, so there won't be a rush to buy dollars," he said. Many large Indonesian companies have failed to service their debts because of the plunge in the rupiah in the past year.

Mr. Mar'ie said that if implemented, the currency board would have to be a credible operation or it would collapse. He also said the government would honor all its foreign and local commitments even if such a system were put in place. (Reuters, AFP, Bloomberg)



Mr. Mar'ie, Indonesia's finance minister, speaking Monday in Parliament.

## Japan Is Firm: No Quick Fix

Yen Falls as Tokyo Brushes Off Pressure From Abroad to Spend

Compiled by Our Staff From Dispatches

TOKYO — Japan stood its ground Monday, refusing to promise quick fiscal measures to stimulate its economy despite fresh evidence of economic weakness and calls from its Group of Seven partners for it to act.

The yen tumbled against the dollar in Tokyo trading, but not as much as many analysts had expected, amid mounting concern over the government's handling of its sluggish economy. The dollar rose to 128.45 yen here from Friday's close of 126.50 yen.

After returning from the G-7 meeting of finance officials in London over the weekend, Finance Minister Hiko Matsunaga said, "I did not make any pledge to form a supplementary budget for the fiscal year 1998-99, although some media reports said I did."

Earlier, the deputy finance minister, Eisuke Sakakibara, said, "What we said is that we will try to pass the fiscal 1998 budget as quickly as possible." He added that Japan had made no promises at the G-7 meeting about what it might do beyond that. The G-7, which comprises Britain, Canada, France, Germany, Italy, Japan and the United States, singled out Japan for its weak economy and called on Tokyo to bolster the economy with fiscal measures.

"In Japan, activity is low, and the

outlook is weak," the group said in a statement after the meeting. While the group praised Japan's financial reforms, it cited what it called the opinion of the International Monetary Fund that there is "a strong case for fiscal stimulus to support activity during 1998."

The deputy trade minister, Osamu Watanabe, said the steps the government had already taken would lead to an improvement in the economy. Separately, Japan moved closer to implementing a 13 trillion yen (\$102.8 billion) capital infusion for its banks, the first of a planned series of steps to bail out indebted lenders and restore confidence in the financial system.

A review board made up of Mr. Matsunaga, the Bank of Japan governor Yasuo Matsushita, a business executive, a lawyer and an academic will decide by Thursday which banks are eligible for the money. They will also determine what conditions the government may attach to the funds.

The Economic Planning Agency, meanwhile, underscored the frailty of Japan's economy, saying that its diffusion index of coincident economic indicators fell below the "boom or bust" level of 50 for a third month in a row in December and probably would stay below that line for January. (Reuters, AFP, Bloomberg)

## Daiei Predicts Loss As Retail Sales Sag

Compiled by Our Staff From Dispatches

TOKYO — Daiei Inc., Japan's largest supermarket chain, reversed its full-year profit forecast to a loss and said it would reduce its dividend in the face of slow sales and mounting debts.

Daiei's revision comes after the Japanese retailer Jusco Co. on Friday slashed its group net forecast 71 percent. Jusco also blamed slow retail sales, which have declined in Japan for nine straight months.

Daiei will report a parent current, or pretax, loss of 25 billion yen (\$39.1 million) for the year ending Saturday, down from a forecast on Oct. 15 for a profit of 7 billion yen. That will be the retailer's first parent pretax loss.

In the previous year, it had posted a modest profit of 591 million yen.

"We usually see the highest sales in the three months from December, but this time they dropped, and that hurt the most," said President Isao Nakanchi.

Domestic demand has slackened after an increase in the national consumption tax last April to 5 percent from 3 percent.

For the next business year,

which will end Feb. 28, 1999, Daiei said it expected to return to profit, forecasting a parent current profit of 5 billion yen. It said it hoped to see the profit expand further to 15 billion yen the year afterward.

Daiei, which also runs the chain of Lawson convenience stores, said it would sell 160,000 Lawson shares to four companies for 16.6 billion yen.

That will help cut growing debts that will be worth 690 billion yen by the end of February, said Vice President Jun Nakanchi.

The company will also sell an amusement park in Nara prefecture in western Japan for 15 billion yen, also to pay off debts.

The company will cut its parent dividend to 5 yen per share from 8.25 yen per share. It will also scale back the number of new stores to between six and seven, from its initial plan of 11, and close down five of its 100 unprofitable stores.

Shares of Daiei, based in Kobe, fell 8 yen to close at 667 Monday. The revision was announced after the market closed. (Bloomberg, Reuters)

## Mitsubishi Electric Considers Quitting Home PC Business

Bloomberg News

TOKYO — Mitsubishi Electric Corp. said Monday it was considering ending its production of desktop personal computers for the home market because the business was "not very profitable."

Home PCs accounted for about 10 percent of Mitsubishi Electric's 309 billion yen (\$2.44 billion) in computer sales in the year that ended in March 1997.

The company said it would continue making personal computers designed for business use, as well as notebook computers and servers, or computers that run networks.

A published report said Mitsubishi Electric would pull out of the European and Japanese personal-computer markets, bringing an end to Apricot Computers, one of Britain's oldest computer brands. Mitsubishi Electric bought Apricot for \$39 million (\$63.8 million) in 1990.

But a spokesman called that report "misleading," saying Mitsubishi Electric was only considering withdrawing from the consumer desktop PC market.

The spokesman said Mitsubishi Electric was not considering cutting the Apricot line of notebook computers.

## KOREA: Trying to 'Front-Load' Reforms

Continued from Page 13

ending a dispute that forced the company to stop almost all production Saturday. Workers at Mando Machinery Co., which makes components for the top three makers of motor vehicles, canceled a strike called for Monday after the company promised not to lay off workers even though it failed to meet debt payments in December and is looking for foreign investors.

Mr. Kim, who counted on labor for much of his support in his bid for the presidency, has appeared far more likely to clash with the chaebol than with the unions. A sign of his determination to take on the industry giants was his appointment of Kim Tae Dong, a university professor who has frequently criticized the chaebol system, as his economic secretary.

Calling on the chaebol to submit detailed restructuring plans by next week, Mr. Kim has berated the companies for extending their power far beyond their means or ability.

In a statement released by his party, the National Congress for New Politics, the president-elect charged that the chaebol "have infringed on sectors designed for smaller companies, sold products to people at high prices and engaged in speculative real-estate investment."

While owning 50 or so companies, the major chaebol "have failed to produce a single item ranking among the

world's best," Mr. Kim said, "will be banned by laws" from advancing beyond their core industries to the detriment of small and medium-sized enterprises — and of the economy as a whole.

While reluctant to sell off any of their major companies, the chaebol are cutting back. Hyundai Electronics Industries said Friday that it was selling Synbios Logic Corp. to Adeptec Inc., a California company, for \$775 million.

Hyundai, which bought the Colorado company from AT&T Corp. for \$340 million three years ago, plans to invest the money from the sale in an Oregon semiconductor plant, a spokesman said.

### Investment Banks to Be Closed

South Korea said it would order several investment banks to shut down this week, a move that analysts said signaled a tough government approach to restructuring the financial industry, Reuters reported.

The Finance Ministry said it would announce Wednesday which banking companies would be shut down, based on a special assessment of the financial status of 20 banks.

Analysts said Nara Banking Corp., Daehan Investment Banking Corp., Hansol Merchant Bank and Central Banking Corp., all of which were suspended in December, were likely to be among those closed down.

## HSBC: Banking Company Sees a Rocky '98

Continued from Page 13

Hongkong Bank group, fell 2 percent when stated in pounds. Like all big banks in Hong Kong, HSBC's operations here, which include its 61 percent-owned Hang Seng Bank, have heavy exposure to mortgage lending. Hang Seng Bank's net profit rose 10 percent, falling short of the consensus forecast of 14 percent made by 32 analysts surveyed by IBES Inc.

Interest rates in Hong Kong have shot up since October, severely reducing the number of new mortgages and driving down property values by 40 percent or more.

"Given the uncertain interest-rate outlook and the slowdown in overall economic activity," said David Eldon, chairman of Hang Seng Bank, "the banking industry faces a difficult environment not seen in many years."

HSBC said its charges for nonperforming or doubtful debts totaled \$615 million, 60 percent more than in 1996. Provisions against bad debts at Hongkong Bank more than tripled, to 4.5 billion Hong Kong dollars.

HSBC also owns Midland Bank in Britain, which turned to be its star performer for 1997. While HSBC received considerable criticism over its acquisition, for buying what had been a relatively poor performer in British banking, Midland's profit rose 24 percent last year. Without Midland, HSBC's earnings would have been far worse.

The group also controls Marine Midland Bank based in Buffalo, New York, which previously reported a 24 percent increase in earnings for 1997. Profit at HSBC Americas Inc., which includes Marine Midland and operations in Canada, rose 19 percent.

### Firm Switches to Dollar Data

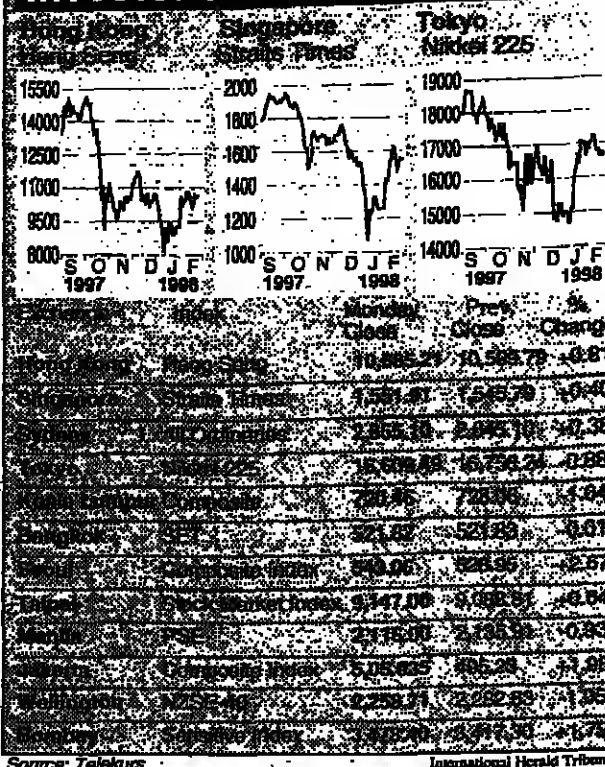
HSBC will report its results in dollars starting this year, Reuters reported.

"In 1997," Mr. Purves said in announcing the company's earnings, "exchange rates again had an effect on our results, since the U.S. dollar and currencies closely linked to it form the main currency block in which the group's business is transacted."

The Hong Kong dollar is pegged to the U.S. dollar.

Shareholders will still be able to take dividends in pounds as well as in new shares, he added, although the dividends will be declared in dollars.

## Investor's Asia



## Very briefly:

• Vietnam's trade deficit narrowed last year to \$2.35 billion from \$4 billion in 1996, but the consumer price index rose 2.2 percent in February from January, according to preliminary data. Prices were up 4.5 percent from the year-earlier month.

• Sharp Corp.'s shares fell 4 percent, or 40 yen, to 1,000 after the company, the world's largest maker of liquid-crystal displays, said group net profit for the year through March would be 39.5 percent less than it forecast last November. Sharp expects to post group net profit of 24.5 billion yen (\$191.4 million).

• Kawasaki Steel Corp. was ordered to pay 52 million yen in compensation to the family of an employee who committed suicide, as a court ruled that unreasonable working hours without rest had led him to take his life.

• Toyota Motor Corp. received 6,500 domestic orders for its new Land Cruiser model in the first month after its introduction Jan. 19. Its monthly sales target was 1,500 units.

• DirecTV Inc., a satellite broadcasting venture led by Hughes Electronics Corp. of the United States and Matsushita Electric Industrial Co. of Japan, is to add 25 channels to its service starting April 1, raising its number of satellite video channels to 83.

• Forbes & Co., a U.S. family-held company, offered to invest \$519 million in a fisheries project in Pakistan. Lucien, Edward Forbes, the chairman, said he had submitted to the government a proposal to develop a port, processing plants, a fleet of fishing trawlers and a shipyard.

• Woolworths Ltd., Australia's largest food retailer, said profit for the six months that ended Jan. 11 rose 18.6 percent, to 175 million Australian dollars (\$117.8 million) from 147.5 million dollars.

• Optus Communications Pty., Australia's second-ranking telecommunications carrier and pay-television company, had first-half operating profit of 41 million dollars, reversing a loss of 63 million dollars a year earlier. (AP, Reuters, Bloomberg)

## JAL Reaches Pact To Cooperate With American Airlines

Bloomberg News

TOKYO — Japan Airlines Co. said Monday it had reached a code-sharing agreement with AMR Corp.'s American Airlines Inc. that would enable the two carriers to cut costs and gain greater footholds in one another's region.

The agreement, the first code-sharing accord between a Japanese and an American airline, will expand JAL's access to some U.S. cities and give American Airlines a bigger share of destinations in Asia. American's presence in the region now consists of just three daily flights to Tokyo.

"Code-sharing is a breakthrough for both airlines, especially for U.S. airline companies with limited access to Japan," Osuke Itazaki at Okasan Economic Research Institute said.

The code-sharing arrangement will enable the airlines to jointly operate some routes and to book passengers on one another's domestic flights, which will give JAL access to some U.S. routes.

American Airlines has said it was looking for a strong Asian partner to help it compete with UAL Corp. United Airlines Inc. and Northwest Airlines Inc., the only two U.S. carriers with broad rights to pick passengers in Japan and fly to other Asian destinations.

The agreement also could lead JAL into the pending alliance between American and British ways PLC.

Before the code-sharing agreement was completed, American Airlines said it hoped code-sharing with JAL would enable it to fly to Tokyo from Dallas, Chicago and a service to Los Angeles from Dallas. American Airlines also has a flight to Tokyo from each of Dallas, Seattle and San Francisco.

The only U.S. airlines that have broad access to Japan are Northwest Airlines, United Airlines and Federal Express Corp.

The agreement comes two weeks after the U.S. and Japanese governments eased flight restrictions between the two countries.

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## ENTERTAINMENT

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**Herald Tribune**

THE WORLD'S DAILY NEWSPAPER

هكذا من الأصل



**Briefly:**

Trade deficit fell last year to \$2.6 billion in 1996 but the consumer price index fell from January according to preliminary figures up 4.5 percent from the previous year.

[illegible]

1. **China** - A number of Chinese companies, including the China National Petroleum Corporation, are active in Pakistan. They are engaged in oil and gas exploration, production, and refining. The Chinese government has also provided significant financial and technical assistance to Pakistan's oil and gas sector.

**J. I. L. Reaches Paris To Cooperate With American Airlines**

[illegible]

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The only U.S. airline that recently has broad access to the Southwest Airlines (Dallas) and Federal Express (Memphis) agreement comes next week after the U.S. and Japan governments eased their trade talks between the two countries.

**ENTERTAINMENT**

**Tribune**

[illegible]

**AS** - Australia; **Dollars**; **AS** - Austrian Schilling;  
**Bf** - Belgian Franc; **C\$** - Canadian Dollar; **D** -  
 Deutsche Mark; **Dk** - Danish Kroner; **D** - US  
 Dollars; **ECU** - European Currency Unit; **FF** -  
 French Franc; **F** - French Mark; **Fl.** - Dutch  
 Guilder; **FM** - Indonesian Rupiah; **L** - Italian Lire;  
 London; **£** - Pound Sterling; **p** - penny; **NT\$** -  
 New Taiwan Dollar; **RM** - Malaysian Ringgit; **Rs** -  
 Indian Rupee; **S** - Swiss Franc; **S\$** - Singapore  
 Dollar; **TB** - Thai Baht; **Y** - Yen;

s - stated; o - Offer Prices; **N.A.** - Not Available;  
**N.C.** - Not Committed; **n** - New; **S** -  
 augmented; **S/S** - stock split; **+** - Ex-Dividend; **-** -  
 Ex-Rts; **@** Offer Price Incl. 3% pen. charge; **+** -  
 Partial exchange; **-** - American exchange; **s** -  
 suspended; **+** - 10% discount; **+** - 10% premium;  
 with regulatory authority; **P** - middle of bid and offered  
 price; **E** - estimated price; **y** - price calculated 2  
 days prior to publication; **z** - bid price

The marginal symbols indicate frequency of



# WORLD ROUNDUP



Philippoussis keeping his eye on the ball against Chang.

## Mature Philippoussis Ruins Chang's Day

TENNIS Mark Philippoussis, the Australian known for his booming serve, says he is taking his tennis more seriously. He has cut back on his eating, is working harder during practices and is more determined to win each match. The new approach worked Sunday as he beat Michael Chang, the defending champion, 6-3, 6-2, to capture the St. Jude indoor tournament in Memphis, Tennessee.

It was Chang's birthday, and afterward Philippoussis, who said he was now restricting himself to three meals a day, took only a couple bites of Chang's birthday cake.

"I have matured a lot," he said. "I definitely still can mature a lot more. I'm a guy who won't mature fully for another couple years. That's just the way I am." (AP)

## Cricketer Killed by Ball

CRICKET Raman Lamba, a former Indian test cricketer, died Monday in Dhaka, Bangladesh, from head injuries after he was struck by a ball while fielding in a club match.

Doctors said Lamba's life-support system was switched off several hours after he was pronounced clinically dead.

Lamba, a 38-year-old batsman, played in four test matches for India. He was hit on the forehead while fielding at short leg for Dhaka's Abahani Club on Friday. He was not wearing a helmet.

Lamba was able to walk to the dressing room. He vomited there, and was then rushed to a clinic and later to Dhaka Postgraduate Medicine and Research Hospital.

A spokesman for Wisden Cricketers' Almanack said no player had died from being hit by a ball in first class cricket. But there have been a few deaths in club and youth cricket. A son of King George VI of England was killed by a ball in 1971.

Lamba scored 782 runs in 32 one-day internationals at an average of 27.96. In his four tests he scored 102 runs, averaging 20.40, with a top score of 53. (Reuters)

## Johnson Wins Big Raise

BASEBALL Charles Johnson, the Florida catcher, won the final salary arbitration case of the year, getting a more than tenfold increase to \$3.3 million, from \$290,000.

During a hearing Friday in Phoenix, the Marlins argued he should be paid \$2.25 million. But in a decision late Saturday, the arbitrator ruled for Johnson.

Johnson's victory left owners with a 5-3 margin in the cases that went to hearings. Seventy-three of the 81 players who filed last month agreed to contracts with their teams before facing arbitrators. (AP)

## Bulgaria Borrows Bonns

SOCCER The Bulgarian soccer federation has taken a 1.5 million Deutsche mark (\$822,000) loan from Deutsche Bank to pay a bonus to its soccer squad for qualifying for the World Cup finals.

"We have drawn the credit only because we want to be fair to the players and the trainers and pay them as we have promised," Michael Kassabov, the federation vice president, said Monday. He said that the loan had been guaranteed by Puma, the sportswear maker and one of the Bulgarian team's sponsors, and that it would be repaid from the federation's share of the World Cup payments. (Reuters)

# 'Survivalist Games' Timed It Just Right

## Salt Lake City Has a Hard Act to Emulate

By Mike Penner  
Los Angeles Times Service

NAGANO, Japan — The Olympic caldron went out here Sunday night, and, no, it wasn't because of a blizzard or a freezing monsoon.

The Survivalist Games, the first Winter Olympics almost to get called off on account of winter, came to their designated conclusion on time, amazingly with all the Alpine ski events completed a good 28 hours before the closing ceremony.

For a while it looked as if the slalom and giant slalom events would have to be rescheduled for February 2002 in Salt Lake City, which will have one distinct advantage over Nagano when it hosts the next Winter Games: It isn't anywhere near the Japan Alps.

Representatives from Salt Lake City were at Sunday's closing ceremony to take the baton, with Tetsuaki Tanaka, the mayor of Nagano, symbolically passing the Olympic flag to Mayor Deedee Corradini of Salt Lake City.

Then Salt Lake City was allowed to put on a show, a five-minute presentation designed to "give you a good flavor of how we plan to do things," said Frank Joklik, head of the Salt Lake City Olympic Organizing Committee.

Following colorfully clothed flower girls, snaking Japanese lion dancers and traditional drummers into Minami Nagano Sports Park were whooping cowboys on horseback, rustlers with twirling lassos and a rambling, rumbling stagecoach — a foot-stompin' revue in the shadow of Zenkoji Temple.

By the end of those five minutes, with a glowing red-yellow-and-blue Salt Lake City 2002 logo poking its head out of a plastic butte, Nagano's Games had never looked better.

Juan Antonio Samaranch, the International Olympic Committee president, withheld his customary "best Games ever" declaration during his closing speech, instead praising Nagano's "wonderful volunteers" and congratulating the city and Japan for "the best organization in the history of the Olympic Winter Games."

Atlanta organizers winced when Samaranch made a similar omission at the close of the 1996 Summer Olympics. Samaranch describing those troubled Games as "most exceptional."

But hoecosity is a cherished quality in Japan, and what was Samaranch to tell the people here after Lillehammer raised the bar almost impossibly high with its joyous 1994 festival? The crowd in the stadium cheered as Samaranch spoke, happy to receive the compliment.

The praise was accurate too, with Nagano weathering everything the testy gods could throw at the place with a smiling resilience and a never-flagging efficiency.

These Games were plagued by everything from white-outs to driving hailstorms to avalanche warnings to even an earthquake, leaving athletes, officials and media to wonder what could possibly be next? Locusts? Well,

several restaurants in Nagano City did serve steaming plates of deep-fried grasshopper during the Games.

The Alpine ski events in Hakuba were hardest hit, the elements forcing dozens of race postponements and six days with no skiing at all.

Organizers had no other option than to backload the Alpine schedule, cramming five races — four medal events — into two days.

The Alpine tripleheaders and doubleheaders taxed the skiers and wreaked havoc with media coverage, often forcing reporters to opt for one event over another. Hermann Maier in the men's Super G slalom or Picabo Street in the women's downhill?

If IOC members had done their homework, none of this would have come as a shock. World Cup ski races in Japan are historically problematic and at the 1993 world championships in Morioka, the men's Super G was never held.

The only time in the history of the Winter Olympics or the world championships that an Alpine medal event had to be scratched.

Remarkably, the skiers plowed through the slush and the sleet for several memorable performances, including: Maier crashing spectacularly during the men's downhill, walking away and going on to win gold medals in Super G and giant slalom.

Street's stunning victory in the women's Super G, barely a year after undergoing extensive knee surgery.

Germany's Katja Seizinger winning gold medals in women's downhill and combined to become the third female Alpine skier to win gold medals in three different Winter Olympics.

Beyond the weather, the Nagano Games will also be remembered for: Tara Lipinski's surprising victory in a shootout with Michelle Kwan for the women's figure skating championship.

Buffalo Sabre goaltender Dominik Hasek leading the Czech Republic to successive upsets of the United States, Canada and Russia en route to the gold medal in the first Olympic men's hockey tournament to permit NHL all-stars.

Norwegian cross-country skier Bjorn Dablie winning his Winter Olympic-record sixth, seventh and eighth gold medals.

The United States winning the first Olympic gold in women's hockey.

And athletic excellence from the hosts, ranging from ski jumper Masahiko Harada bouncing back from disaster in Lillehammer to launch an Olympic-record jump of 137 meters to Hiroyasu Shimizu winning Japan's first Olympic speedskating championship with a gold medal in the men's 500-meter event.

Joklik said Salt Lake City was eagerly awaiting the challenge, while acknowledging that Nagano had left him with a tough act to follow. "I'm full of admiration for the event they put on here," Joklik said. "I have been here three and a half weeks and I'm unable to put a finger on anything they didn't do well or could have done better."



A stagecoach from Salt Lake City thundering through the closing ceremony of the Winter Games in Nagano.

# Memories of Nagano, Good and Bad

Washington Post Service

NAGANO, Japan — The 1998 Winter Games will be remembered for weather — too much snow, too little snow, too much rain, too much fog — and for the exquisite politeness of our hosts, even under the most trying of circumstances.

After almost three weeks here, though, I will remember these Games as a series of moments — some grand, some small — and a diverse group of people who seemed to divine what were the last Winter Games of the millennium.

I will remember tiny Tara Lipinski leaping from her seat in the kiss-and-cry zone at White Ring and squealing, like any teenager would, when she realized that she had upset the gold-medal favorite, Michelle Kwan, in women's figure skating. And I will remember Kwan at the news conference afterward, looking almost shell-shocked even as she gracefully congratulated Lipinski.

I will remember Hermann Maier — the Herminator — pinwheeling through the air and crashing through two fences and over another before landing on his head in the men's downhill in what will surely be the video clip of these Games. And I will remember him swooping across the finish line of the men's super giant slalom three days later, his arms thrown up in the air as he realized that his time was the best of the day.

I will remember Picabo Street singing the national anthem on the medal stand, her voice loud, proud and slightly off-key. I will remember how she gushed amazement at being able to win the gold in the women's super-G despite major reconstructive knee surgery, and I will remember, too, her talking about how her mother practiced the anthem with

Vantage Point/JENNIFER FREY

her in their living room in Idaho.

Hardest to forget, I think, will be A.J. Mieczko and Cammi Granato and Sarah Tieding and all the women who were told that hockey was not a girls' sport, and who who the United States a gold medal in an emotional game.

Hard, too, it will be not to get angry every time I remember a conversation I had on a street corner in central Nagano a few evenings ago. I was listening to two American lingers — men who had made all sorts of sacrifices to be here, men who barely make a living at their sport — tell me in upset voices why the behavior of some members of the U.S. men's hockey team made them feel as if their whole Olympic experience had been cheapened.

They were not the only ones who felt that way. Maier — fresh off his second gold medal — grabbed a notebook away from an American reporter who was asking about the U.S. hockey team. "U.S. hockey — a joke," Maier wrote, then he autographed the sentiment. It was hard to disagree.

I will try harder, though, to remember the NHL stars who made their countries proud in these Olympics — Dominik Hasek, Jaromir Jagr, Pavel Bure, Teemu Selanne, yoo all know who you are. I will remember Hasek and Patrick Roy battling it out in a most dramatic penalty-shot situation. And I will remember Wayne Gretzky sitting on the Canadian bench afterward, all alone, with tears of disappointment on his cheeks.

I will remember Pasha Grishuk, the Russian ice dancer, seated on the floor of the warm-up room before her free dance with her partner, Yevgeni Platov, scrutinizing her blond hair in the mirror

again and again and again. I will remember the Norwegian ski trainer who carried me on his back up an icy, treacherous stretch of Mount Higashidate so that I could see Alberto Tomba take one of his final runs.

FOR better or worse, I will remember a host of pot jokes that came with Ross Rebagliati's positive test for marijuana after he won the gold medal in one ridiculous sport, snowboarding. And I won't remember a thing about another ridiculous Olympic sport — curling — because, thankfully, it was one event I never attended.

I will remember Japan for bad weather and good manners and great sushi and, more than anything, for the pure joy the Japanese expressed when their athletes found success. Did you see Masahiko Harada, who went from being a sad national figure to this country's greatest Olympic hero with one incredible, almost-unmeasurable ski jump? He is, in a runaway, my favorite Olympic hero.

The day that Harada jumped his spectacular 136 meters, I spent part of the afternoon at a bathhouse, where I sat in the sauna with an elderly Japanese woman. There was a television there, and the footage of Harada's jump, of his tears, of his emotional interview — he cried, the TV reporter cried, the anchorman cried, and finally, even the cameraman let his hands wobble with emotion — played over and over and over again, in a continuous loop. Faint from the heat, overwhelmed with emotion, the woman watched for more than 30 minutes, tears mixing with the sweat that poured down her cheeks.

# South Africa Offers Bid For World Cup in 2006

Reuters

OUAGADOUGOU, Burkina Faso — South Africa presented its long expected bid for the 2006 World Cup finals Monday.

Molefi Oliphant, the president of the South African Football Association, said he hoped South Africa would benefit from the battle between Germany and England for the right to be host of the tournament.

Oliphant, who is in Burkina Faso for the African Nations Cup, said he was confident his country would be able to present a viable bid and become the first African country to stage the World Cup.

"We have noted the battle between England and Germany and we believe we are a strong third candidate," he said.

"We are able to offer the same facilities in terms of infrastructure and the

same passion for the game."

Oliphant said the campaign would seek strong support from the Confederation of African Football to help them with the bid.

Danny Jordaan, secretary-general of the South African federation, said the campaign would be based on the fact that Africa had yet to host a World Cup finals.

"It is time that we had a chance to show that the African continent can also play host to the biggest sporting event in the world," he said.

"The World Cup belongs to the whole world, and Africa also must be given a chance to host the tournament," he added.

South Africa is the second African country to bid for the World Cup. Morocco lost out to the United States for the right to be host of the 1994 finals.



David Duval celebrating as his birdie putt at the 18th rolls toward the hole.

# Duval Calms Nerves To Take Tucson Golf

The Associated Press

TUCSON, Arizona — David Duval had a problem at the Tucson Chrysler Classic: He wasn't used to protecting a seven-shot lead.

By the 14th hole in the final round Sunday, Duval had squandered his overnight lead and was level with Justin Leonard, his playing partner at 17-under. Duval decided the answer was to attack.

"Any nerves I had up until then were gone on No. 15," he said. "After I bogeyed 14, my thought was now I had nothing to protect. So I had to go out and try to take it, whereas all day long people were trying to take it from me."

Duval birdied two of the last three holes to win the \$2 million event by four strokes over Leonard and David Toms.

Duval earned his fourth victory in nine tournaments — the best streak since Nick Price won four of six in 1994 — despite shooting 1-over-par 73. He finished with a four-day total of 19-under 269.

It was the highest winning round since Billy Mayfair's 3-over 73 that won the 1995 Tour Championship. "I bung in there somehow, and I think that's the important thing," Duval said.

Leonard shot a final-round 70 that included a bogey on the 18th hole.

29 Foreigners in the Masters

A record-tying 29 international golfers are among the 96 players who have been invited to play in this year's Masters Tournament, Reuters reported from Augusta, Georgia. The Masters will be held April 9-12.

# SCOREBOARD

BASKETBALL			
NBA STANDINGS			
EASTERN CONFERENCE			
ATLANTIC DIVISION			
Team	W	L	Pct
Atlanta	27	18	.600
New York	31	22	.585
New Jersey	21	34	.382
Orlando	27	27	.500
Washington	27	28	.491
Boston	25	28	.472
Philadelphia	17	35	.328
CENTRAL DIVISION			
Team	W	L	Pct
Chicago	41	15	.732
Indiana	38	18	.682
Atlanta	22	23	.489
Charlotte	21	23	.479
Cleveland	29	25	.537
Memphis	28	26	.519
Milwaukee	24	29	.452
Detroit	12	42	.222
Toronto	17	35	.328
WESTERN CONFERENCE			
PACIFIC DIVISION			
Team	W	L	Pct
Utah	37	16	.694
San Antonio	36	18	.667
Minnesota	30	23	.566
Houston	29	24	.549
Vancouver	14	40	.259
Dallas	10	44	.182
Denver	5	49	.091
NBA STANDINGS			
WESTERN CONFERENCE			
PACIFIC DIVISION			
Team	W	L	Pct
Portland	32	22	.593
Seattle	31	23	.574
Golden State	27	27	.500
L.A. Clippers	11	43	.204
SOUTHWEST DIVISION			
Team	W	L	Pct
Phoenix	30	24	.556
Sacramento	29	25	.537
San Jose	28	26	.519
Los Angeles	27	27	.500
Memphis	26	28	.481
Orlando	25	29	.463
Washington	24	30	.444
Boston	23	31	.429
Philadelphia	22	32	.410
Atlanta	21	33	.390
New York	20	34	.370
New Jersey	19	35	.350
Charlotte	18	36	.333
Cleveland	17	37	.313
Memphis	16	38	.294
Detroit	15	39	.275
Toronto	14	40	.256
Chicago	13	41	.237
Indiana	12	42	.218
Atlanta	11	43	.199
Charlotte	10	44	.180
Cleveland	9	45	.161
Memphis	8	46	.143
Orlando	7	47	.125
Washington	6	48	.106
Boston	5	49	.088
Philadelphia	4	50	.069
Atlanta	3	51	.049
New York	2	52	.029
New Jersey	1	53	.010
Charlotte	0	54	.000

BASEBALL			
MAJOR LEAGUE STANDINGS			
AMERICAN LEAGUE			
AL EAST DIVISION			
Team	W	L	Pct
Tampa Bay	27	18	.600
Baltimore	26	19	.576
Seattle	25	20	.558
Los Angeles	24	21	.530
San Diego	23	22	.512
AL WEST DIVISION			
Team	W	L	Pct
San Francisco	27	18	.600
Oakland	26	19	.576
Minnesota	25	20	.558
Colorado	24	21	.530
Chicago	23	22	.512
NATIONAL LEAGUE			
NL EAST DIVISION			
Team	W	L	Pct
Atlanta	27	18	.600
Florida	26	19	.576
Philadelphia	25	20	.558
Montreal	24	21	.530
St. Louis	23	22	.512
NL WEST DIVISION			
Team	W	L	Pct
San Diego	27	18	.600
Los Angeles	26	19	.576
Arizona	25	20	.558
Colorado	24	21	.530
Chicago	23	22	.512

HOCKEY			
NHL STANDINGS			
PACIFIC DIVISION			
Team	W	L	Pct
Vancouver	27	18	.600
Edmonton	26	19	.576
Calgary	25	20	.558
Oakland	24	21	.530
San Jose	23	22	.512
CENTRAL DIVISION			
Team	W	L	Pct
St. Louis	27	18	.600
Chicago	26	19	.576
Minnesota	25	20	.558
Philadelphia	24	21	.530
Washington	23	22	.512
ATLANTIC DIVISION			
Team	W	L	Pct
Florida	27	18	.600
Philadelphia	26	19	.576
Washington	25	20	.558
Montreal	24	21	.530
St. Louis	23	22	.512
NORTH DIVISION			
Team	W	L	Pct
Edmonton	27	18	.600
Calgary	26	19	.576
San Jose	25	20	.558
Oakland	24	21	.530
Chicago	23	22	.512

GOLF			
TUCSON CLASSIC			
Player	Score	Par	Points
David Duval	64-68-72-69	-28	100
Justin Leonard	65-69-73-72	-27	95
David Toms	66-70-74-72	-26	90
Tim Krumholtz	67-71-75-73	-25	85
Jeffrey Melton	68-72-76-74	-24	80
Tommy Stinson	69-73-77-75	-23	75
Tim Lincecum	70-74-78-76	-22	70
Steve Stricker	71-75-79-77	-21	65
Mark O'Meara	72-76-80-78	-20	60
Greg Norman	73-77-81-79	-19	55
John Cook	74-78-82-80	-18	50
Tommy Alston	75-79-83-81	-17	45
John Huston	76-80-84-82	-16	40
John Kiser	77-81-85-83	-15	35
John Rosten	78-82-86-84	-14	30
John Sorenson	79-83-87-85	-13	25
John Tatum	80-84-88-86	-12	20
John Yarbrough	81-85-89-87	-11	15
John Zink	82-86-90-88	-10	10
Johnnie Walker	83-87-91-89	-9	5
Johnnie Walker	84-88-92-90	-8	0

SOCCER			
FIFA WORLD CUP QUALIFYING			
CONCACAF			
Team	W	L	Pct
USA	27	18	.600
Mexico	26	19	.576
Costa Rica	25	20	.558
Guatemala	24	21	.530
Honduras	23	22	.512
UEFA			
Team	W	L	Pct
France	27	18	.600
Italy	26	19	.576
Spain	25	20	.558
Germany	24	21	.530
England	23	22	.512
CONCACAF			







## *The Stakeout: Live!*

The teddy, showing signs of wear from long before Waigel rose to his position, is a relic of the 1930s.

□

I might have continued my stakeout role for the rest of the week, but Ginsburg screwed me up. He came out of the hotel and started talking to reporters himself. My credibility was also damaged when the reporters discovered Ginsburg was on the 16th floor and I was on the 3d.

But I had my 15 minutes of fame, and that is all anyone in a sex scandal can ask for.

**Crown Prince Naruhito, celebrating his 38th birthday on Monday, said**

James L. Brooks and Mark Andrus, the authors of "As Good as It Gets," received the best original screenplay award by the Writers Guild of America. Brooks also directed the romantic comedy. "L.A. Confidential" won the award for best adapted screenplay, which was written by Brian Koppelman and Curtis Hanson, who also directed the film. . . . "As Good As It Gets" took top acting

**Sir John Mills** celebrated his 90th birthday at a glittering dinner, surrounded by 400 friends and his family of actors, Mills and his wife, the novelist Mary Hayley Bell, have three children in show business—the actresses Hayley and Juliet and screenwriter Jonathan. Leading the entertainment lineup at the dinner at a London hotel was Hayley Mills's 52-year-old son, Crispian, a singer with the rock group Kula Shaker. John Mills, who won, among other awards, a supporting actor Oscar in 1971 for his role in "Ryan's Daughter," appeared to be in fine form. Arriving with daughter Juliet, he said he was feeling "on top of the world." He was knighted in 1976.

David McNew/Romney  
**Jerry Lewis at comedy awards.**

# Putumayo and the Secrets of World Music

It was vague and perhaps naive, but I was listening to music in the record stores — to choose, the records he liked. So, once



omers are, say, between 30 and 50. He  
seanfranchised." Turned off by mass-  
and the system does not make it easy for  
to turn.


World Music has a big future. He sees  
will break down the divide between  
y. Had Bob Marley lived longer, he  
uld have made it already happen: "The  
ing down. Very few pop records now  
copies. World Music's time is coming.  
that music. It cannot remain a secret

## Windsor Painting Sets Record

The price, including commission for the auction house, is a record for a Munnion.

Kaufman, who produced a documentary on the duke and

benefit charities; he and Diana, Princess of Wales, supported (AP Reuters).



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هكذا آمن الأهل